



This action is funded by the European Union

**ANNEX 2**

of the Commission Implementing Decision on the Annual Action Programme 2015 in favour of Pakistan to be financed from the general budget of the European Union

**Action Document for Balochistan Rural Development & Community Empowerment Programme**

**INFORMATION FOR POTENTIAL GRANT APPLICANTS - WORK PROGRAMME FOR GRANTS**

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following section concerning a call for proposals: 5.3.1.

1. Title/basic act/ CRIS number	<b>Balochistan Rural Development and Community Empowerment Programme (CRIS: DCI-ASIE/2015/038-094)</b> financed under Development Cooperation Instrument			
2. Zone benefiting from the action	<b>Pakistan</b> The action shall be carried out at the following location: <b>Balochistan, Pakistan</b>			
3. Programming document	EU – Pakistan Multi-annual Indicative Programme (MIP) 2014-2020			
4. Sector of concentration	Rural Development			
5. Amounts concerned	Total estimated cost: <b>EUR 46.79 million</b> Total amount of EU budget contribution: <b>EUR 45 million</b> This action is co-financed by potential grant beneficiaries for an indicative amount of: <b>EUR 1.79 million</b>			
6. Aid modalities and implementation modalities	<b>Project Modality</b> Direct management – grants – call for proposals/procurement of services			
7. DAC codes	43040 - Rural development			
8. Markers (from CRIS DAC form)	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development /good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>NT</b>	<b>Sign. obj.</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9. Global Public Goods and Challenges (GPGC) thematic flagships				

## Summary

Failures of public sector in Balochistan in realising socio-economic development, resulting from policy neglect, poor governance, capacity deficit, successive calamities, peculiar geo-political situation, presence of Afghan refugees, and rising militancy, call for a long-term sustainable policy-based integrated rural development perspective fostering effective partnerships between communities and local authorities by creating an enabling environment through strategic policy, Public Finance Management reform process, and capacity-building interventions for an inclusive socio-economic development paying specific attention to the disenfranchised groups including women and children.

Significantly, this action has been designed so as to pave the way to a future Sector-wide Approach (SWAp) for support to rural development through community-led development, and thus will provide a platform to Government of Balochistan and its development partners for evolving a contextualised and harmonised approach to community-led development and local governance.

This action will support communities as well as provincial and local authorities to partner for improving the efficiency and effectiveness of front line public service delivery, so that opportunities for rural livelihoods in the targeted districts are improved. This will be achieved through: (1) Establishment and further strengthening of an inclusive, representative system of community mobilisation that federates villages at the level of UCs (Union Councils) enabling them to engage with local authorities, exercise civic-oversight and social-accountability; and (2) Rehabilitation, expansion and maintenance of community social and productive assets and infrastructure which (a) support initiatives to improve labour participation (including women); (b) improve sustainable resource use, and (c) limit the impact of environmental degradation and climate change; (3) Development and implementation of a community-led rural development policy framework and improved government systems to interface with and support community-led interventions that enhance local service delivery and economic development and which, over the short to medium term, results in increased fiscal space that is gradually taken up and maintained by Government in future budget allocations through a Sector-wide Approach; (4) Public Finance Management reform to improve the efficiency with which provincial government's budgets are used to increase the quantity/quality of front line public service delivery; (5) Enhancement of the technical and institutional capacities of local authorities to support communities more effectively/efficiently in the implementation and maintenance of development investments, as well as make the front line delivery of quality public services.

The **overall objective** is to support the Government of Balochistan in reducing the negative impact of economic deprivation, poverty and social inequality, environmental degradation and climate change, and to turn this into opportunities to build and empower resilient communities participating actively in identifying and implementing socio-economic development activities on a sustainable basis in partnership with local authorities.

The **specific objectives** are: **1)** To empower citizens and communities and provide them with means enabling them to implement community-driven socio-economic development interventions, an increased voice and capability to influence public policy decision making through active engagement with local authorities for quality, inclusive, and equitable service delivery, and civic-oversight; **2)** To foster an enabling environment for strengthening the capacities of local authorities to manage and involve communities in the statutory processes of the local public sector planning, financing and implementation process

These objectives will be achieved through the following key **expected results**, which are further broken down into sub-results outlined in Section 4:

**ER 0: Preparation Phase;** A 6-month preparation period is foreseen to further define the specificities of the programme including the technical assistance and capacity-building components and also the definition of the terms of the call for proposals guidelines, in order to translate into action the above mentioned objective, to conduct a comprehensive gender analysis for a gender sensitive implementation approach, definition of performance indicators, development of harmonised methodology for establishing baselines, and to develop harmonised monitoring, evaluation, and reporting systems.

**ER 1:** An inclusive and representative system of community participation in local development process aiming at promoting social, economic and environmental outcomes for the communities, particularly women and marginalised groups, is implemented.

**ER 2:** A local governance mechanism enabling people, particularly women and marginalised groups, to effectively interact with local authorities at all stages of formulation and implementation of local development is implemented.

Project component concerning community development/mobilisation (ER 0 and 1) will be implemented through grants to civil society organisations under a call for proposals, and through procurement of technical assistance services for component relating to development of policy framework, PFM reforms process, Sector-wide Approach, and capacity building (ER 2).

## **1. CONTEXT**

### **1.1. Pakistan/Balochistan context**

Pakistan is far from achieving the Millennium Development Goals (MDG), particularly in the western border regions of Balochistan, Khyber Pakhtunkhwa, Federally Administered Tribal Areas (FATA) and interior Sindh. These areas have disproportionately suffered from successive calamities, militancy, and policy neglects.

The Government of Pakistan's 10<sup>th</sup> Five-Year Plan (2010-15) outlines a new direction in development planning which is people-centric, targets the poor, marginalised and minorities to provide access to basic and essential public services. Human resource development is emphasised to support the growth process in the long-run by enhancing income generating potential of the people. Gender empowerment and responsiveness to Climate Change impacts, and natural calamities are important elements of Pakistan's poverty reduction strategy. Building on the 10<sup>th</sup> Five-Year Plan and the Pakistan Framework for Economic Growth, the Federal government launched in May 2014 "The Vision 2025" as its key policy framework. Major themes of this framework include an integrated energy plan, modernisation of infrastructure, mobilisation of indigenous resources, institutional reforms and governance, value addition in productive sectors, export and private sector-led growth, and exploitation of social capital.

The 18<sup>th</sup> Constitutional Amendment and the 7<sup>th</sup> National Finance Commission's Award are the landmarks in devolution of political power, government functions and fiscal resources to the provinces, and empower the provinces to design their local government systems for further devolution. However, an important missed opportunity in reforming multi-order governance in Pakistan has been the review and definition of roles and responsibilities of local governments. Instead the amendment simply focused on devolving functions from the federal government to provinces to neglect of rationalization of central functions of the federal government, provincial functions of the provincial government and a complete neglect of the role of local government and beyond local government entities in public services delivery. The role of local governments has to be redefined as the primary agent for service delivery, local economic development and improving economic and social outcomes and introducing legislation to make that role possible. Balochistan is the first province having constituted local governments in January 2015 after successfully organising elections at district, tehsil<sup>1</sup> and union council levels, followed by Khyber Pakhtunkhwa. However, ambiguities in the legal framework and unwillingness of the provincial government to decentralise political, fiscal and administrative powers, and resources to the local government has effectively rendered them ineffective for political elite see elected local bodies as their rivals that encroach on the sphere of the provincial authority.

The current macro-economic performance and economic governance are severely constraining the economic and social development process in the provinces. Successive attempts to reform the economic management have rarely been accomplished because of a highly complex political economy. Repeated changes in leadership between democratically elected and military governments have resulted in a continuously weakening of public administration both in the provinces as well

<sup>1</sup> Tehsil is the second-lowest tier of local government in Pakistan; each tehsil is part of a larger district, and each tehsil is subdivided into a number of union councils.

federal level. Development policies have been overly biased towards public sector projects and arbitrary incentives impeding competitiveness and sustainable economic growth.

The province of Balochistan is in a state of crisis posing serious threats to the federation of Pakistan amid rising nationalist and religious insurgencies resulting from a sense of neglect and isolation, and poor socio-economic development. Its unique features, i.e., its diverse geographic, ethnic, political and social mosaic that constitutes 44% of the country's land area with only 5% share of the population open up a vista of possibilities as well as challenges for social transformation. It is the least developed province but rich in energy and mineral resources meeting more than 40% of Pakistan's energy needs while half of its own inhabitants do not have electricity. Of the estimated 13 million inhabitants, over 70% live in rural areas and depend on agriculture for their livelihood, suffering however from water shortages, frequent drought, and poor agricultural practices, which increase the vulnerability of the rural communities, especially women and children. Consistent depletion of water resources and absence of storage systems such as small dams turned it into an arid wasteland, and half of the population lives below the poverty line. The fishery sector has huge potential, but suffers from constraints caused by poor treatment and conservation, and poor infrastructure. Average household incomes are low as alternate livelihoods means are limited.

**Geography and Demography:** The underlying development predicament for Balochistan is that most of its population lives in scattered, sparsely populated settlements, around water sources amid an arid inhospitable terrain, which is poorly connected to the national north-south trade corridor. The newly developed Gwadar port is yet to be connected to the rest of the province and the country. The road density is only 0.15 Km/SqKm, which is less than half the national average and the lowest among the provinces. Balochistan has significant mineral reserves including coal, marble, copper, zinc, gold, and gems. However, it has not attracted public or private investments due to lack of physical, institutional and regulatory infrastructure, and deteriorating security situation. Considering the fragility of the natural environment, Climate Change is having a more than average impact on the environment and livelihood, estimated at about 20% above the national level.

Balochistan's population density of 19 persons/SqKm was only 5, 8, and 9% respectively of that of the Punjab, Sindh, and the Khyber Pakhtunkhwa<sup>2</sup>. It has the highest inverse population density (area/population) 18.8 compared to Sindh 1.6, Khyber Pakhtunkhwa 1.5, and Punjab 1, resulting in a very high per-capita cost of providing public services, and governance, well above the rest of Pakistan. The demographic structure of the population is characterised by a large cohort (40%) of people in the age groups below 25 years. Since 1979 Balochistan has hosted over a million Afghan refugees and around 700,000 still live in the province, contributing to the fragility, and highly burdening the scarce resources of the province.

**Socio-economic conditions:** The highest incidence of poverty prevails in Balochistan with 52% households classified as poor, with rural poverty as high as 75%. Out of the 20 highest poverty-stricken districts of Pakistan, 16 are in Balochistan<sup>3</sup>. It has suffered from a decade long drought, catastrophic earthquakes in 2008 and 2011 and flash floods in 2010 and 2012 causing immense damage to the infrastructure and other productive assets, and have adversely impacted the economy and pace of development. MDG indicators lag behind the national averages. The headcount poverty increased to 50.9% in 2013 from 48% in 2001-02. Literacy rate is 45%. Net Primary Enrolment Ratio is 44%. The Gender Parity Index for primary education is 0.58. The proportion of under-five-years underweight children is 43%. The Maternal Mortality Ratio is a staggering 758 per 100,000. Only 61% population has access to an improved source of drinking water and only 32% has access to sanitation facilities.

**Administrative set-up:** Balochistan has 6 administrative divisions, 32 districts, 86 tehsils, 722 union councils and around 12,000 rural settlements. Subsequent to the 18<sup>th</sup> Constitutional Amendment, Balochistan is the first province having constituted local governments in January 2015, which has moved the government a few steps closer to the citizens. Ensuring citizen's participation in public affairs, it shall lead to making governments more responsive and accountable. However, if the local governments are to have any real meaning, the government will need to ensure that the newly elected

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<sup>2</sup> 1998 Census of Pakistan

<sup>3</sup> Clustered Deprivation: District Profile of Poverty in Pakistan; SDPI (September 2012)

local councils have sufficient resources and authority to address service delivery and development challenges at local levels, which still has to be sorted out.

### **1.1.1. Public Policy Assessment and EU Policy Framework**

The 18<sup>th</sup> Constitutional Amendment and the 7<sup>th</sup> National Finance Commission's Award shall change the development paradigm in better linking public services delivery and poverty alleviation to the local political decision-making process. The reform increased Balochistan's share from the chronic 5% of share in the Federal Divisible Pool Taxes to 9.1%. This, plus the increased provincial share from the Divisible Pool from 45% to 57.5%, further increased its fiscal space. A major breakthrough has been the acceptance of Balochistan's long standing demand for arrears of Royalty and Excise on Natural Gas, and the Gas Development Surcharge for which the federation has agreed to provide these arrears assessed to be Rs. 120 billion in 10 years' time for the next 12 years. However, capacity constraints are the major issue for effective implementation of the reforms for the benefit of the citizens.

The devolution process re-emphasizes the need for a full modernisation of fiscal and budgetary management within all the provinces. Balochistan lags considerably behind progress made in other provinces. Khyber Pakhtunkhwa and Punjab provinces have both made substantial progress in adopting comprehensive approaches to strategic development planning and public finance management reforms, and Sindh has recently adopted a PFM Strategy and is in the final stages of adopting and implementing an action plan.

Lack of political will, coupled with meagre financial resources and frail technical capacities, has constrained development of a comprehensive strategic development framework in Balochistan. In the absence of such a framework, public sector allocations have been made on ad-hoc and political consideration basis. The present government has expressed commitment to change this. Owing to the additional fiscal space, the Government of Balochistan is preparing a medium-term development strategy with an initial first phase of 5–7 years. It aims at eradicating poverty through institutional reforms and capacity development for improved governance, socio-economic development through addressing infrastructure and capacity constraints, and human development. In December 2014, the newly established Balochistan Chief Minister's Policy Reform Unit presented an initial concept for a "Balochistan Development Vision and Strategy", which builds on previous sectoral policies and programmes including the Balochistan Conservation Strategy 2000-2020, the Poverty Reduction Strategy, the Disaster Risk Management Commission, and Integrated Village Rehabilitation Programme. Nevertheless, the concept lacks strategic perspective, implementation strategies, and fiscal framework for tackling the deep-rooted development challenges. It is premature to say that a comprehensive and agreed upon strategic development policy framework would be available in the near future.

Balochistan has approached the World Bank for a PEFA assessment in 2015 and has requested EU to support PFM reform. A previous PEFA was published in 2007 and is outdated. The PEFA 2007 highlighted the need for reforms in specific areas of budget development, budget execution, accounting, external audit and legislative oversight. Regarding the assessment of the PFM systems, processes and the institutions, 20 out of 28 performance indicators excluding donor practices scored a C or D.

The FY2014-15 budget allocates Rs 50.7 billion (Rs 48 billion provincial funds and Rs 2.7 billion Foreign Project Assistance) for implementation of 1,693 ongoing and new development interventions in 22 sectors. About 67% of this allocation is for investments in 5 key sectors, *i.e.* Agriculture (6%), Communication (20%), Education (23%), Public Health Engineering (9%) and the Health sector (9%). Rs 50 million have also been allocated in the 2014-15 public sector development programme for scaling-up the EU-funded Balochistan Community Development Programme, and the Government has agreed to allocate additional Rs 500-1,000 millions in support of the policy framework for community-led development envisaged to be developed with support under this action.

Rural development is one of focal sectors under the EU 2014–20 Multi-annual Indicative Programme. It states that building on the ongoing EU programmes, the future rural development actions will focus on the promotion and integration of structurally poor and backward regions into the mainstream

national development agenda by enhancing opportunities for economic growth and sustainable livelihoods in rural areas. The proposed action builds upon this programming rational.

### **1.1.2. Stakeholder analysis**

**Public sector:** Public sector in Balochistan lacks capacity to formulate and execute sound and effective development policies for effective public services, which is compounded by a weak public finance system, is a concern. This demands that the public sector must use its scarce resources as efficiently as possible to achieve its goal of accelerated socio-economic development. In Balochistan, the technological improvement, economic prosperity, and social change are possible only through an efficient and effective system of public sector institutions. The fiscal space available to the government of Balochistan for investment in development remained limited, while it is facing a budget deficit of Rs 5 billion on a total budget of Rs 200 billion. Members of the Provincial Assembly have a strong say in decisions on allocation of development budget (Rs 50.7 billion), where they tend to promote schemes on behalf of their respective constituencies. A more efficient and effective utilisation of the public resources and stronger public finance is expected to benefit the general public with better services. Following the constitution of the local governments in January 2015, Balochistan's public administration is in need of a concerted approach to budgeting for local development based on local participative development planning. This action will support the provincial authorities in adapting long-term policy-based developmental approaches by improving PFM systems and development of a rural development policy framework to pave way for a rural development Sector-wide Approach in Balochistan.

**Local Governments:** Local governance institutions have weakened over time. There has been continuous oscillation between democracy, military and hybrid systems of governance. This discontinuity has stalled the progression and evolution of local governance institutions. As a result of the 18<sup>th</sup> Constitutional Amendment, Balochistan is the first province having constituted local governments (at district, tehsil and union levels) in January 2015. However, amid legal and functional ambiguities resulting in lack of political, fiscal, and administrative devolution, the installed local governments are effectively rendered non-functional.

To build the capacities of the local governments, involvement of, and cooperation with local governments will be explicitly sought in implementation of this action. The adopted approach reinforces planning and implementation at the union council level as platforms in implementation of small-scale public investments and interface between the communities and local governments so that local populations strongly identify to its delineation. The strong community involvement and partnership approach with local governments is expected to contribute to further development of local governance.

**Civil Society:** Compared to the rest of Pakistan, civil society in Balochistan is less developed. To strengthen the role of civil society organizations, media, youth, and academia in politics, and to promote democratic values through advocacy, education, literature, and training are of utmost importance for evolution of a vibrant civil society in Balochistan. There are a few small NGOs that are primarily working in service delivery. The proposed action will contribute to organising and strengthening of community institutions at gross-roots levels that are expected to be active partners in advocacy for improved services delivery, citizen oversight and accountability.

**Army:** While the army remains heavily involved in coping with threats to security posed by sectarian and nationalist militants in Balochistan, it recognises the need to restore a responsive and accountable civilian administration and supports processes of community empowerment.

**Women, landless, and other marginalized groups:** These vulnerable groups experience even more difficulties in accessing quality social services, job opportunities and micro-credit and loans. Specific attention will be given to these groups to ensure an increased participation in commercial activities and the specific creation of employment and income opportunities.

**Local business and private service providers:** This group usually has a limited presence in rural and remote areas. They have a weak sense of corporate social responsibility and a low capacity to work in partnerships with communities and non-profit organizations. Their interest in this intervention would be increased sales, market shares and profits, and increased market penetration in rural areas. They can provide required services such as strategic business information.

**Target groups:** The action targets the members of representative, inclusive community organisations,

federated at the Union Council level into a three-tier institutional structure comprising of community organisations (CO), village organisations (VO) and Local Support Organisations (LSO). Within this institutional set up the proposed action aims to reach a target of 70% viable community institutions that are planning and managing their own development in an effective, participative, inclusive, and sustainable manner. Within the targeted union councils the proposed action aims to benefit 70% poor by improving their access to basic social services through a community driven participative development process. Provincial officials, local governments' elected representatives and local authorities' staff will also be targeted under capacity-building intervention for people-driven inclusive development planning and execution, and for improvement of Public Finance Management system.

### ***1.1.3. Priority areas for support /problem analysis***

Contextualising to Balochistan the rationale defined for the rural development focal sector in the EU 2014–20 Multi-annual Indicative Programme, this action supports mobilising and capacitating local communities for reinforced resilience, improved access to basic services, improved livelihoods, economic growth, and to capacitate local authorities/governments to partner with communities for effective and efficient service delivery, and to assist the development of a strategic Policy Framework for institutionalisation of such approaches ultimately through a Sector-wide Approach the evolution of which will also be supported under this action.

Balochistan is faced with complex problems including the lack of economic resources, poor governance including public financial management, poor public and social services delivery, virtually absent transparency and accountability mechanisms, and inadequate access to justice. These problems are exacerbated by the successive calamities, the disproportional heavy impact of Climate Change, and increasing nationalist and religious insurgency resulting from a sense of deprivation. State-citizen gap is widening presenting serious challenges to the writ of the state.

The inability of the authorities to reach out a scattered population in addition to discontinuity and ineffectiveness of local governance institutions in Balochistan demand identifying alternate avenues for effective service delivery, inclusive participation and oversight of governance regime by common citizens. This call for a development paradigm in which the empowerment of communities is seen as the laying stone foundation for the building up of a local governance system and public administration involving local authorities and communities.

In the absence of a policy framework for local development and community empowerment, the Government of Balochistan lacks the vision, strategy and planning capacity to achieve minimal local development and continues to work as a clientelist system.

The intervention logic of the proposed action is about changes to socio-economic conditions at the grassroots level: improvement in health and life expectancy, nutrition, education, literacy (to develop skills in support of economic growth), population size and structure, gender and social relations. It intervenes both on the "demand" and "supply" sides of the service delivery equation. On demand side, the action combines social mobilisation, capacity building, foster mechanisms for accountability and civic oversight, creating agency and voice for poor people to become part of the development process, economic empowerment, participative bottom-up areas-based development planning, and collective action for addressing critical community physical infrastructure constraints, to realize welfare and governance outcomes. On supply side, the action supports creating an enabling policy environment for community-led development through establishment of a policy framework and improvement of Public Finance Management System, and empowerment of local authorities for engagement with citizens' institutions, in combination with capacity building for effective public administration, to scale up basic social services delivery and foster mechanisms for social-accountability and through ultimately adopting a Sector-wide Approach to community-led development. The expected outcome will be political consensus and implementation of a provincial policy framework that will guide planning and budgeting for community-led rural development in Balochistan.

The action will, therefore, specifically address:

1. Support to strengthen the “demand” side of local governance, aimed at enhancing citizen/community “voice” and engagement with local governments and at increasing the intensity with which communities participate in service delivery. The programme will adopt a mix of

transactional and transformational social mobilisation approaches through which the critical link between citizen demand and state response will be developed.

2. Support to the Province of Balochistan aimed at fostering an enabling environment through the development and implementation of a policy framework with institutional arrangements, supported by a comprehensive Public Finance Management reform process, for community-led development and for participation in local governance processes for effective service delivery, civic-oversight and social-accountability. The action will provide policy-level technical support for a high-level process of broad-based consultation and policy formulation and will build capacity of provincial and local government agencies and elected local councils to achieve the objectives of this policy and sustain its implementation in the future across the Province through a Sector-wide Approach. The programme will also contribute to the development and implementation of a Public Finance Management reform process leading to a more efficient and effective service delivery in Balochistan. Support to PFM reform is particularly relevant considering the low level of donor support Balochistan is receiving and the high reliance on its own resources to implement policies in the most efficient and effective manner.
3. Support to strengthen the technical and institutional capacities and human resource capabilities at provincial and local levels to respond effectively to local needs and priorities. Capacity development is a major cross-cutting area and nearly every activity requires a capacity development input. Most social mobilization programme is a capacity development activity. More accountable local bodies are of little use if they lack the capacity to deliver what they are mandated to do or to respond to local demands.

## 2. RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level</b>	<b>Mitigating measures</b>
General insecurity not allowing monitoring by the EU Delegation	High	For a first-hand security assessment, the Regional Security Officer of the Delegation has already undertaken an assessment mission to Balochistan. However the RSO will assess with the security agencies and the army the situation at each time a mission should take place in the project areas, following security procedures of EU to protect its staff on the field. In addition, selection of targeted districts to be made in consideration of the security situation allowing implementation.
General insecurity not allowing implementation and monitoring of activities by the implementing partners	Medium	There is an ongoing EU-funded rural development programme in Balochistan since October 2013, and as such so far it does not have any implementation issues for security reasons. Security procedures of partners to deal with rising situations to protect their staff. Security management plans in place to deal with any unforeseen situations, including training of staff and adopting extra security cautions and linkages with law-enforcement agencies. Selection of targeted districts in consideration of feasibility to work in view of security risks. Flexibility and adaptability of the project to the fluctuating situation. Even during the project's life, it might be necessary to change areas of intervention depending on the evolving security context.
Concerned institutions do not coordinate and collaborate closely in the programme	Medium	EU to address this as part of policy dialogue in steering committees and also at other policy and review discussions. Need for specific technical assistance for improved coordination at level of Ministries and agencies will also be addressed.



Risks	Risk level	Mitigating measures
Corruption in Balochistan Government agencies	High	This programme will support the PFM reform in Balochistan. Government agencies do not have access to project funds and stringent audits are foreseen.
Unwillingness of Balochistan Authorities/ Assembly to be fully engaged to provide political support to the programme	Low	Support broad-based consensus building through policy formulation.
<b>Main Assumption:</b> The overall security situation allows the implementation of activities in carefully selected districts, even if some have to be adapted or postponed due to recurrent insecurity issues.		

### 3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1. Lessons learnt

Noting that the EU has limited recent experience in Balochistan, there are not yet ROM reports or evaluation reports of projects that we could extract lessons from. However, since 2014 the EU is supporting the Balochistan Community Development Programme (BCDP-€7 million), being implemented by the Balochistan Rural Support Programme in 40 union councils of the 4 targeted districts. The following lessons are drawn from this intervention:

- For security reasons there is need for strong coordination with the authorities, flexibility in the implementation and keeping a low profile on the field, while adapting to socio-cultural norms and context to build trust amongst all actors;
- For greater Programme acceptance among the beneficiaries, there is a need to adapt and follow socio-cultural norms and context to build trust among all actors.
- There is a need to tap the potential for leveraging District Selection Committees to act as District Development Forum for a more strategic development perspective and planning;
- The aspect of legal entity for the community institutions is important and engagement of the authorities under a strategic policy framework is critical for registration and opening of bank accounts to ensure timely funding of community physical infrastructure schemes;
- Programme management needs to be based on a comprehensive Planning, Monitoring, Evaluation & Research mechanism that provides substantive, analytical and advisory support to the activities and ensures effective management for results;
- Use of the Poverty Score Cards data for community-based targeting of the most vulnerable has proved to be critically useful. Decentralised database at union council level needs to be in place to provide an essential tool for targeting the poorest household, ensuring inclusion of disadvantaged categories of the population in programme activities and future measuring of programme outcomes/impact.
- Involving women in empowerment programs can deliver results and support longer-term institutional change. While the pacing of involvement of women in reforms will vary by local context, experience across regions and forms of conflict shows the value of accelerating the involvement of women. Women' participation is possible even in the most conservative context such a Balochistan. To promote women participation, there is need for extensive dialogues with both men and women, developing trust and relationship with communities; women participation is to be encouraged as per the local context, never obliged.
- Communities' participation in the planning, designing and implementation of small infrastructure schemes ensures their relevance, as well as their ownership and maintenance by the communities.
- Sustainability needs to be ensured through capacity building for operations and maintenance and pooling of local resources to encourage savings, which must be implemented from the beginning.

Some lessons from EU funded community-driven local development projects in Pakistan may also be considered. Notably, the proposed action will benefit from learning from the EU-funded project for community mobilisation and development of community infrastructure schemes through Programme for Economic Advancement and Community Empowerment (€40 million) and the budget support

programme for Khyber Pakhtunkhwa District Governance and Community Development Programme (€80 million), both implemented in Malakand Division of the Khyber Pakhtunkhwa province.

- Based on mid-term reporting by the PEACE programme, there is ample evidence that community mobilisation can have a great impact on strengthening the resilience and enhancing social cohesion of community organisations, improving access to basic social and public services, increasing the number of beneficiaries from the services, improving linkages with local government agencies and involving as much as possible women in the process;
- Successful efforts must begin at the local level. Without emphasis on local results, citizens lose confidence in their government's ability to provide a better life, which is particularly important in Balochistan that has been neglected by the Pakistan government. Actions to restore security, create trust, generate employment, and provide services in local communities lay the foundation for national progress.
- Programme acceptance by government agencies, the army and security services needs strong relationship with them to influence pro-poor policies and local development initiatives;
- Successful efforts must produce local results to enhance citizens' confidence in their government's ability to provide a better life, restore security, create trust, generate employment, and provide services;
- The importance of off-farm income in the livelihoods of families needs to be recognised and addressed through improving relevant skills and knowledge;
- All crosscutting challenges including vulnerability to disasters, climate change, environmental concerns, gender, and social inclusion should be mainstreamed in planning and implementation of project intervention;

In addition to these, it is pertinent to highlight some of the recommendations extracted from the March 2014 publication "Rural Poverty Reduction: A thematic review of the 2013 ROM Programme for Asia and Central Asia":

- Strong engagement of local partners and authorities in the design process;
- Capacity building of the local partners/institutions incorporated in the design and budget;
- Need for an accurate targeting of the poorest.

Lessons learned from PFM support programmes include the need to develop a comprehensive, integrated, over-arching and sequenced PFM reform strategy, which establishes, *inter alia*, base-line status of PFM elements, reform objectives, priorities, strategy for achievement, coordination of donor participation, and essential institutional and capacity building. Without such a plan that is owned and led by the authorities and shared with donors and stakeholders, there is a significant risk of duplication and dissipation of donor efforts and resources in not only PFM, but also in local development and other programmes.

### **3.2. Complementarity, synergy and donor coordination**

The proposed action will create synergies with ongoing projects including with the EU-funded Balochistan Community Development Programme, the PEACE project in Khyber-Pakhtunkhwa (KP) implemented by the Sarhad Rural Support Programme, the newly launched sector budget support programme for District Governance and Community Development (DGCD) programme, and the lately committed SUCCESS project in Sindh, NSA-LA projects, and with the Public Finance Management Support Programme for Pakistan (PFM-SPP). Dissemination of lessons learnt from research and studies and exposure visits will assist in the understanding of various contexts and ensure duplication is avoided.

At the macro level, this action will develop close synergies and explore possible buy-in by development partners like GIZ, World Bank-managed Multi Donor Trust Fund, UNDP, WFP, FAO & IFAD, Pakistan Poverty Alleviation Fund, and USAID that are offering support for rural development. UNDP's "Decentralization & Local Governance" project aims to strengthen participatory federalism and decentralization against the backdrop of 18th Constitutional Amendment. In order to avoid duplication and to take into account the work and learnings of this programme, this action will closely coordinate with UNDP.

The action will also benefit from the ongoing and planned EU funded Technical and Vocational Training programme, since one of the activities under this action aims at skills development for community members for improving their livelihoods through better employment opportunities, business development and income generating activities.

There does not exist any donor coordination mechanism in Balochistan in general and in particular in rural/local development sector. This action will support the Government of Balochistan in fostering a government-driven policy dialogue and donor coordination while supporting the development of the envisaged policy framework for community-led development and for adopting Sector-wide Approach that will serve as the main reference for donor coordination and alignment.

Support to PFM reform in Balochistan for more effective and efficient service delivery addresses a gap in donor assistance to the Province, which has generally been overlooked by donors in favour of the other Provinces Khyber Pakhtunkhwa, Punjab and Sindh. This action will assist the Government of Balochistan in donor coordination around the PFM reform debate in Balochistan. To this end, the Government of Balochistan has already initiated coordination with the EU and The World Bank on PEFA.

### 3.3. Cross-cutting issues

Building on the demonstrated indigenous experiences in community mobilisation, the proposed action has the potential of indirect impacts on numerous cross-cutting issues.

The approach proposed for this action takes strong cognisance of **inclusive development**, particularly focusing on the most vulnerable members of the society also including **people with special needs, children, and women**. Despite the strong cultural conservatism in Balochistan, this action will target women for most of the activities, to have an impact on **gender**. In the cultural context of Balochistan the scope for gender based interventions may be limited, yet women will be mobilised and trained in literacy and numeracy and will benefit from economic empowerment, as well as service delivery actions, while the members of community organisations will also be sensitised on **gender** and other cross-cutting themes.

**Capacity development** is a major cross-cutting area and nearly every activity requires a capacity development input. This action will also support capacity building for implementing/mainstreaming cross cutting themes. Most social mobilization programme is a capacity development activity. More accountable local bodies are of little use if they lack the capacity to deliver what they are mandated to do or to respond to local demands.

Community members will also be sensitised, through the mobilisation activities, on a number of cross-cutting themes such as: awareness-raising on basic **human rights**; sensitisation on family-planning, **HIV-AIDS**, and **nutrition** aspects.

As this action focuses integrated sustainable development, **environmental sustainability and climate change adaptation** will be ensured by including natural resources management in relevant interventions. When necessary, the specific impact on the environment of the various infrastructure schemes will be analysed and compensated, although these schemes being of micro-scale (e.g. a borehole), are not expected to have negative impact on the environment.

The action will foster links with the local government structures, leading to improved transparency, public oversight, hence contributing to **improved local governance**. It will also contribute to **conflict prevention** by organising communities for collective actions leading to improved social cohesion and dialogue and providing channels for enhancing community resilience.

Support to PFM is by nature cross-cutting and expected to contribute to an overall improvement of governance, public service delivery and a greater transparency in public expenditure and improved democratic oversight.

Finally, **disaster risk reduction and mitigation** will be also a key crosscutting element by building capacity of community organisations on these issues.

## 4. DESCRIPTION OF THE ACTION

### 4.1. Objectives/results

The **overall objective** is to support the Government of Balochistan in reducing the negative impact of economic deprivation, poverty and social inequality, environmental degradation and climate change, and to turn this into opportunities to build and empower resilient communities participating actively in identifying and implementing socio-economic development activities on a sustainable basis in partnership with local authorities.

The **specific objectives** are: **1)** To empower citizens and communities and provide them with means enabling them to implement community-driven socio-economic development interventions, an increased voice and capability to influence public policy decision making through active engagement with local authorities for quality, inclusive, and equitable service delivery, and civic-oversight and **2)** To foster an enabling environment for strengthening the capacities of local authorities to manage and involve communities in the statutory processes of the local public sector planning, financing and implementation process.

These objectives will be achieved through the following **expected results and sub-results**:

**ER 0: Preparation Phase;** A 6-month preparation period is foreseen to further define the specificities of the programme including the technical assistance and capacity-building components and also the envisaged call for proposal guidelines, to conduct a comprehensive gender analysis for a gender sensitive implementation approach, definition of performance indicators, development of harmonised methodology for establishing baselines, and to develop harmonised monitoring, evaluation, and reporting systems for the implementing partners;

**ER 1:** An inclusive and representative system of community participation in the local development process, aiming at promoting social, economic and environmental outcomes for the communities, particularly women and marginalised groups, is implemented;

**ER 1.1:** Establishment and empowerment of a three-tiered participative system of federated community organisations at community, village and union council levels capable of development needs identification & prioritisation, development planning, resource mobilisation, and execution, and operation & maintenance of community infrastructures;

**ER 1.2:** Increased capacity of citizens, communities and marginalised groups, particularly women, to assert their rights and hold local authorities accountable by engaging them in joint participatory development planning and execution for a more relevant and efficient public service delivery;

**ER 1.3:** Improved access of communities, particularly women and marginalised groups, to quality public services and benefit from climate-resilient community infrastructures and productive assets planned and maintained jointly with local authorities;

**ER 1.4:** Increased number of poor community members, particularly women and marginalised groups, are engaged in income generating activities;

**ER 1.5:** Experiences on the ground are assessed and disseminated in order to inspire the design of the building blocks of a Local Development Policy framework

**ER 2:** A local governance mechanism enabling people, particularly women and marginalised groups, to effectively interact with local authorities at all stages of formulation and implementation of local development is implemented;

**ER 2.1:** A dedicated policy framework to deliver economic environmental and social outcomes in a process involving the local authorities and communities, and its institutional arrangements for community-led development and participation in local governance processes for effective service delivery in partnership with local authorities is developed and operationalised;

**ER 2.2:** Improved capacities of the local authorities to become "developmental", mobilise their resources to reach out communities, and systematically involve them in planning, co-resourcing and managing local development activities

**ER 2.3:** A PFM reform strategy and action plan are developed and implemented. This result will provide Balochistan with basic components for improved public financial management at provincial

level and will pursue greater harmonisation and alignment among donors and move towards an eventual Sector-Wide Approach to community-led development under government leadership.

**ER 2.4:** The Balochistan Rural Development Academy has acquired the necessary capacity to deliver a comprehensive capacity building programme on community-led development and local governance.

**ER 2.5:** Technical and institutional capacities of implementing partners strengthened to effectively support the Government of Balochistan in its objective of improving public service delivery.

## **4.2. Main activities**

The following indicative activities, classified under their respective results, are envisaged:

**ER 0: Preparation Phase;** A 6-month preparation period is foreseen to further define the specificities of the programme including the technical assistance and capacity-building components and also the envisaged call for proposal guidelines to ensure implementation of the action in consideration of its objectives and expected results, to conduct a comprehensive gender analysis for a gender sensitive implementation approach, definition of performance indicators, development of harmonised methodology for establishing baselines, and to develop harmonised monitoring, evaluation, and reporting systems for the implementing partners, elaboration of Training & Action Research activities, and training and capacity-building for programme start up.

**ER 1:** An inclusive and representative system of community participation in the local development process, aiming at promoting social, economic and environmental outcomes for the communities, particularly women and marginalised groups, is implemented;

**ER 1.1:** Establishment and empowerment of a three-tiered participative system of federated community organisations at community, village and union council levels capable of development needs identification & prioritisation, development planning, resource mobilisation, and execution, and operation & maintenance of community infrastructures.

In order to achieve this result, the action requires a mix of transactional and transformational mobilisation processes that build peoples' capacity and confidence - particularly for poor and excluded - to actively participate in their own governance. Under this result around 300,000 rural households in eight districts will be mobilised and capacitated through three-tiered federated community organisations of which at least 70% will continue to function effectively at the end of the project. The aim is to develop resilient and empowered communities capable of addressing their development needs through internal and external resource mobilisation, development advocacy, and for receptiveness to improvements, new techniques and concepts upon which future development interventions can build.

**Activities:** Spatial poverty mapping using poverty score card methodology and development of a decentralised digital database for inclusive targeting, social mobilisation at community, village and union council levels, as well as capacity building of members of community organisations on themes including community management & leadership, development needs assessment & prioritisation, development planning & resource mobilisation, financial management and record-keeping, community savings and lending, and development of a cadre of Community Resource Persons to ensure sustainability and outreach of the community organisations, organisation of exposure and youth engagement events, and organising community institutions' managers' & local authorities' meetings and conventions for experience sharing and policy advocacy, and community sensitisation on crosscutting themes including nutrition, health and hygiene, family planning, HIV-AIDS, gender, human (particularly women) rights, WASH, DRR, climate change & environment, and natural resource management, etc.

The aforementioned activities may be undertaken: 1) by the selected implementing partners' staff, 2) by/with public services (e.g. on technical topics such as nutrition or HIV-AIDS), 3) by private actors (profit and non-for-profits), or/and 4) by the Community Resource Persons (CRSPs) who are trained community activists and can cascade training to sensitise their fellow community members.

**Joint District Development Committees** with membership of local authorities and community representatives will be formed and regularly convened in order to institutionalise and sustain the

bottom-up community-led development processes into the mainstream formal development planning and budgeting processes, and will also serve as a forum to plan, implement and monitor local development plans.

In addition, in order to inform policy debate and decisions at the provincial level, and to capacitate and strengthen the implementing partners in their role of promotion and animation of social mobilisation and to enable them to further evolve in accompanying and sustaining the joint learning process between communities and local authorities, a **Training and Action Research** component is also envisaged.

**ER 1.2:** Increased capacity of citizens, communities and marginalised groups, particularly women, to assert their rights and hold local authorities accountable by engaging them in joint participatory development planning and execution for a more relevant and efficient public service delivery;

Under this result communities and local authorities will be supported to jointly undertake spatial development planning through a participatory needs identification and prioritisation process to establish Village and Union Council Development Plans, to be consolidated at district level to apprise the Government of Balochistan's Annual District Development Planning, and for resource mobilisation advocacy, relevant and effective service delivery, and to serve as a joint social-accountability framework.

**Activities:** Conducting participative needs identification and prioritisation at community, village and union council levels to define costed Village and Union Council Development Plans along with implementation and resource mobilisation strategies, consolidation of planning at district level and building consensus through wider stakeholders' consultations to develop a District Development Strategy and Plan, adoption and notification by the Joint District Development Committee of the District Development Strategy and Plan as the main development reference document, advocacy for mainstreaming District Development Strategy and Plan in the formal District Annual Development Planning processes. The aforementioned Plans will also serve as the development blue prints for the respective tiers of the local governments for informed debates at the councils. Organising regular joint social accountability dialogues between communities, local authorities and members of the provincial and national parliaments to inform development planning and implementation progress at Union Council and District levels.

**ER 1.3:** Improved access of communities, particularly women and marginalised groups, to quality public services and benefit from climate-resilient community infrastructures and productive assets planned, implemented and maintained jointly with local authorities.

The project will improve basic community infrastructure and productive assets used by, and services delivered to the targeted communities to be identified through the community, village and union council development planning under ER 1.2. These infrastructures will be built, managed, and maintained by the communities. They may include, but not limited to, WASH, education, health, link roads, street pavements, irrigation channels, disaster protection measures, alternate/renewable energy provision, or any other infrastructure needs identified and prioritised by the communities through a structured participative and inclusive development planning process.

**Activities:** Consensus-building on needs to be addressed on priority-basis, establishing Memorandum of Understanding (MoU) with communities and local authorities, technical training for community-based Project Management, Audit, and Operation & Maintenance Committees, preparing technical, financial, and environmental feasibilities, projectisation, approvals by the Joint District Development Committees, initiation and completion of community infrastructures, organisation of operation & maintenance mechanisms. The aforementioned activities will be undertaken by the community institutions in collaboration with public services whereby implementing partners playing a catalytic/facilitation role.

**ER 1.4:** Increased number of poor community members, particularly women and marginalised groups, are engaged in income generating activities.

The project aims at stimulating an average 25% income increase of the targeted poor community members, particularly women, by fostering their income generation potentials.

**Activities:** Five main set of activities are envisaged:

1. Provision of **technical and vocational training**, and **literacy and numeracy skills** to community members, particularly women, through accredited structures, in line with the ongoing EU-funded TVET programme.
2. Provision of inputs and training for farmers and livestock owners to adopt **new technologies** and to improve their food security and nutrition.
3. Identification and support for **innovative economic activities** and access to efficient markets, in order to contribute to income generation and diversification.
4. Development and implementation of an approach to **facilitate income generation** of the community members, depending on their poverty levels determined through the Poverty Score Card methodology. Grants will be provided through the community institutions to the extremely poor and poor community members to help them develop economic activities (e.g. by purchasing livestock or other productive assets). Better-off community members will be facilitated through information and linkages development with micro-finance institutions for expanding their economic sphere to foster economic activities. This project will neither provide micro-credit nor will assist micro-credit institutions.
5. Determine through the Poverty Score Card methodology, the poorest community members will benefit from a micro-health insurance, in order to cover their basic health needs and increase their resilience. Micro Health Insurance is a social protection measure for the most destitute and vulnerable poor aiming to avoid that health shocks might throw these households into deeper poverty and incapacity to generate incomes.

**ER 1.5:** Experiences on the ground are assessed and disseminated in order to inspire the design of the building blocks of a Local Development Policy framework

**Activities:** Assessment, documentation of lessons learnt and dissemination to the stakeholder by different means (reports, exchanges of experiences through workshops, peer to peer learning)

**ER 2:** A local governance mechanism that enabling people, particularly women and marginalised groups, to effectively interact with local authorities at all stages of formulation and implementation of local development is implemented;

**ER 2.1:** A dedicated policy framework to deliver economic environmental and social outcomes in a process involving the local authorities and communities, and its institutional arrangements for community-led development and participation in local governance processes for effective service delivery in partnership with local authorities is developed and operationalised;

**Activities:** A mechanism is set up to learn from experiences from the experience and knowledge on community-led development and development planning, and the very useful interaction with the nascent elected local bodies, generated through the ongoing EU-funded (EUR 7 million) Balochistan Community Development Programme, and Local Governance programs in other countries with similar bottom up approaches. This will be a range of ideas to discuss and define the different building blocks of the above mentioned policy framework within the appropriate authorities. To facilitate this, the Government of Balochistan will establish a high level **Strategy and Policy Dialogue Committee** to oversee the implementation of this action and other community-led local development interventions, in order to capitalise on the cumulative experiences and to guide the preparation of a policy framework, its institutional arrangements and implementation strategy, and the Public Finance Management reform process, including for capacity-building, which aims at provincial-wide roll-out of community-led development through Sector-wide Approach. The Technical Assistance foreseen under this action will support the Strategy and Policy Dialogue Committee.

**ER 2.2:** Improved capacities of the local authorities to become "developmental", mobilise their resources to reach out communities, and systematically involve them in planning, co-resourcing and managing local development activities

**Activities:** facilitating opportunities for structured exchanges between LGs and communities in order to create mutual trust, define local development priorities and concrete modalities enabling the involvement of communities at all stages of local development processes

**ER 2.3:** A PFM reform strategy and action plan are developed and implemented. This result will provide Balochistan with basic components for improved public financial management at provincial level and will pursue greater harmonisation and alignment among donors and move towards an eventual Sector-Wide Approach to community-led development under government leadership.

**Activities:** The reform activities will improve the public financial administration and directly impact the budget process, including better allocation and usage of budget resources, and will strengthen Balochistan's efforts to reduce poverty and social inequality. The activities include support to the development of an over-arching and sequenced PFM reform strategy and action plan, followed by the implementation and reform oversight of selected interventions by the Government of Balochistan in the areas of (i) resource mobilisation and debt management, (ii) planning and budgeting, (iii) budget execution, reporting, accountability and transparency, (iv) external oversight and (v) institutional framework.

**ER 2.4:** The Balochistan Rural Development Academy has acquired the necessary capacity to deliver a comprehensive capacity building programme on community-led development and local governance.

**Activities:** The Government of Balochistan's Rural Development Academy is mandated to build the capacities of the government staff and local bodies elected representative. This project will assist the Academy in playing a more effective and relevant role, in general, and more specifically in support of the policy framework for community-led development and community empowerment through introduction of specialised courses on social mobilisation and participative community-driven local development approaches, and for integrating such topics in its core civil servants' training curriculum. This will be achieved through developing linkages with European local government associations/networks and training institutions for tapping technical resources and capacity-building, providing technical inputs for designing course modules, introduction of new approaches to transfer of knowledge, providing support for production of manuals, organisation of exposure visits for the local government staff, elected local bodies representatives and community leaders.

**ER 2.5:** Technical and institutional capacities of implementing partners strengthened to effectively support the Government of Balochistan in its objective of improving public service delivery.

Considering the technically complex nature of the intervention, the geographic spread, the diverse range of activities and the assortment of target groups, around three grant and two services contracts are envisaged to implement this project. In order to have a coherent and quality implementation, it is essential that all the implementing partners have sound technical and operational capacities, follow uniform implementation approaches, and have standard harmonised monitoring & evaluation and reporting tools that shall lead to significant outcomes in support of the Government of Balochistan's community-led development policy framework, and development of Sector-wide Approach.

**Activities:** Technical assistance to implementing partners in designing their respective project components to ensure programme coherence and standardisation of implementation approaches and processes, development of common Programme Implementation Manual (PIM), formulation of exit strategy, development and implementation of programme quality control plan and tools, development and implementation of communication, visibility and advocacy strategy, action research on poverty dynamics in Balochistan, thematic and sectoral studies (e.g. women's empowerment, micro-health insurance, community investment fund/income generating grants and internal community savings and lending, community physical infrastructure, understanding and improving nexus between community-lead development and local governance, gender mainstreaming, institutional sustainability, etc.), programme lessons learning documentation and dissemination, organising thematic and advocacy workshops/conferences for community-led development policy framework and on local development cross cutting issues (e.g. population, health, sanitation and women empowerment), public policy debates on local development paradigm and linkages with local government systems, organising national and provincial conventions of community organisations. Training of implementing partners' staff on the overall project concepts and implementation approaches, M&E framework, baselines approaches and methodologies and reporting; development of MIS and mapping tools to track Key Performance Indicators (KPIs).



### 4.3. Intervention logic

Rural development is one of the focal key sectors under the EU 2014-20 MIP which focuses **promotion of structurally poor and backward regions into the mainstream development agenda**. This is envisaged to be achieved through **widening access to basic public services, reducing social and economic inequality, and improving resilience by promoting income generating activities and contributing to peace building and political stability in insurgency-affected areas**. Contextualising this to Balochistan, this project will mobilise and capacitate rural communities for reinforced resilience, improved access to basic services, improved livelihoods, economic growth, and capacitate local authorities/governments to partner with communities for effective and efficient service delivery, and to assist the development of a strategic policy framework for institutionalisation of such approaches. The project will also assist the Government of Balochistan in improving its public financial management systems and will capacitate the concerned authorities for efficient management of its financial resources for improving social service delivery.

The intervention logic of the proposed action is about **changes to socio-economic conditions at the grassroots level**: improvement in health and life expectancy, nutrition, education, literacy (to develop skills in support of economic growth), population size and structure, gender and social relations. It intervenes both on the **"demand" and "supply" sides of the service delivery equation**. On demand side, the action combines a mix of transactional and transformational social mobilisation, capacity building, foster mechanisms for accountability and civic oversight, creating agency and voice for the people, particularly women and excluded, to become part of the development process, economic empowerment, participative bottom-up areas-based development planning, and collective action for addressing critical community productive physical infrastructure constraints, **to realize welfare and governance outcomes**. On supply side, the action fosters local governance mechanisms enabling citizens' participation in their development and governance processes through establishing a policy framework and its institutional arrangement, capacity-building of local authorities, and public finance management reform for improved and participative local governance for socio-economic development.

## 5. IMPLEMENTATION

### 5.1. Financing agreement

In order to implement this action it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

### 5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

### 5.3. Implementation modalities

#### 5.3.1 Grants: call for proposals "Community-driven Rural Development in Balochistan" (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The envisaged grants aim at implementing all activities under Expected Results 0 and 1 in all Union Councils (except those covered by the on-going EU-funded Balochistan Community Development Programme or by other donors) of the eight targeted districts of Kech/Turbat, Jhal Magsi, Washuk, Khuzdar, Loralai, Kila Abdullah, Pishin, and Zhob in Balochistan, as proposed by the Government of Balochistan. The call for proposals will have two lots. Lot 1 will cover Expected Result 0 and sub-

Expected Result 1.4, and Lot 2 will cover the rest of the Expected Result 1 as detailed in Sections 4.1 and 4.2 above.

The objectives of the call for proposals will be defined fully in consideration of the vision of this action, as defined by the specific objectives and expected results outlined Section 4.1

**(b) Eligibility conditions**

In order to be eligible for a grant, the lead applicant must:

- be a legal person and
- be non-profit-making and
- be a specific type of organisation such as: non-governmental organisation, public sector operator, local authority, international (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation<sup>4</sup> and
- be established in<sup>5</sup> a Member State of the European Union or Pakistan. This obligation does not apply to international organisations, and
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

A total of three grant contracts (one for Lot-1 and two for Lot-2) are foreseen.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 1-2 million for Lot-1 and EUR 10-30 million for Lot-2, and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries).

**(c) Essential selection and award criteria**

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

**(d) Maximum rate of co-financing**

The maximum possible rate of co-financing for grants under this call is 95%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

**(e) Indicative timing to launch the call**

Third quarter of 2016.

**5.3.2 Procurement (direct management)**

Subject in generic terms, if possible	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
TA on Policy Framework Formulation and Public Finance Management	Services	2	Q2 2016

<sup>4</sup> International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies are also recognised as international organisations.

<sup>5</sup> To be determined on the basis of the organisation’s statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a ‘Memorandum of Understanding’ has been concluded.

#### 5.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 5.5. Indicative budget (all amounts are in million Euros)

	<b>EU contribution</b>	<b>3<sup>rd</sup> party contribution</b>	<b>Total</b>
5.3.1 - Call for Proposals "Community driven Rural Development in Balochistan" (direct management)	34	1.79	35.79
5.3.2 - Procurement "TA on Policy Framework Formulation and Public Finance Management"	8.6	N.A	8.6
5.7 - Performance Monitoring, 5.8 - Evaluation	1.5	N.A	1.5
5.9 - Audit	0.2	N.A	0.2
5.10 - Communication and visibility	0.2	N.A	0.2
Contingencies	0.5	N.A	0.5
<b>Totals</b>	<b>45</b>	<b>1.79</b>	<b>46.79</b>

#### 5.6. Organisational set-up and responsibilities

A Financing Agreement will be signed with the Government of Pakistan to ensure ownership of the public authorities. The Federal Government will be fully informed of the implementation status of the action through the bi-annual EU-Pakistan Development Portfolio Review meetings.

The project shall be directly managed by the Delegation of the European Union to Pakistan. The Delegation shall directly manage contracts, and be responsible for the grants as well as the various services described in Section 5.3 above.

A high level **Strategy and Policy Dialogue Committee** (SPDC), to be convened at least twice a year, will be established by the Government of Balochistan and chaired by the Additional Chief Secretary (Development). Its members will be comprised of Secretaries of Balochistan Local Government & Rural Development, Finance and Planning & Development Departments, representatives of donors including the EU Delegation, implementing partners and/or community institutions. This list of members shall be confirmed and finalised during the first meeting of the Committee. The SPDC shall ensure government ownership, participation and guidance, overseeing the implementation of this action and other community-led local development interventions; capitalising on the cumulative experiences and guiding preparation of the policy framework, its institutional arrangements and implementation strategy, and the Public Finance Management reform process, including for capacity-building, which aims at provincial-wide roll-out of community-led development through Sector-wide Approach.

**Technical assistance** in support to this high-level Strategy and Policy Dialogue Committee will be provided to assist the Government of Balochistan

An operational **Steering Committee** shall be organised at least quarterly to oversee implementation and to ensure synergies among the implementing partners. It shall be composed of representatives of the EU Delegation, implementing partners, and technical assistance.

## **5.7. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

Preliminary indicators and targets will be included in the project's logical framework. These will be reassessed and re-evaluated during the preparation phase (Expected Result 0) on the basis of the baseline study. The LFA will be the guiding instrument for the performance monitoring that will be undertaken throughout the project's implementation, until its completion and a final evaluation of progress on these indicators.

As described in Section 5.6, the operational **Steering Committee** shall oversee implementation of the action and shall ensure synergies among the implementing partners.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

This project will actively support any mechanism that the authorities will design and implement to align and coordinate donors' activities and contributions towards the development and implementation of a Policy Framework for community-driven rural development, Public Finance Management Reform, and development of a Sector-wide Approach for rural development in Balochistan.

Each of the implementing partners shall report according to the EU Grants procedures: a financial and narrative report shall accompany each payment request, at least on an annual basis. For the service contracts, the reporting modalities will be specific to each contract and will therefore be indicated in the respective Terms of Reference.

At the end of the preparation period, indicatively after 6 months, the targets and objectives might be refined on the basis of the results of the mapping and baseline exercises. These will be the skeleton of the performance monitoring that will be undertaken throughout the project's implementation, until its completion and a final evaluation of progress on these indicators.

## **5.8. Evaluation**

Having regard to the importance of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving, and learning purposes, in particular with respect to a more efficient implementation of this action and for informing the design of a potential second phase of the action.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that it could pave the way for a Sector-wide Approach for community-driven development in Balochistan.

The Commission shall inform the implementing partner at least two months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the

evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for performance monitoring and evaluation services shall be concluded in the 3<sup>rd</sup> quarter of 2017.

#### **5.9. Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services will be concluded in the 3<sup>rd</sup> quarter of 2017.

#### **5.10. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The implementing partner to be awarded the grant for implementation of activities foreseen under Lot-1 of the call for proposals (section 5.3.1) will be responsible for the overall Visibility and Communication activities for the action. This will lead to a more synergised communication and visibility strategy and to economies of scale. However, the implementing partners to be awarded grants for implementation of activities foreseen under Lot-2 of the call for proposals (section 5.3.1) shall also have adequate funding available for communication & visibility activities relevant to their own components. These activities should nevertheless be in line with the overall communication and visibility plan to be designed by the implementing partner for Lot-1.

In addition, the EU will also ensure visibility through: i) engagement with government, donors, media and other partners in the context of policy dialogue and aid effectiveness, as well as ii) other means such as the Delegation's website. A specific website will also be launched to disseminate information about the programme and the engagement of government and implementing partners. Public relations/awareness campaigns will be undertaken regularly to make the EU's contribution visible.

Indicatively, one contract for communication and visibility services shall be concluded in the 3<sup>rd</sup> quarter of 2016.

## LIST OF ACRONYMS

ADB	Asian Development Bank
BCDP	Balochistan Community Development Programme (EU-funded)
BRSP	Balochistan Rural Support Programme
CO	Community Organisation
DP	Development partners
DRR	Disaster Risk Reduction
EU	European Union
EUD	EU Delegation
FAO	Food & Agriculture Organization
GIZ	Gesellschaft für Internationale Zusammenarbeit
GoB	Government of Balochistan
GoP	Government of Pakistan
HR	Human Rights
IFAD	International Fund for Agricultural Development
IP	Implementing Partner
KP DG&CD	Khyber Pakhtunkhwa District Governance & Community Development Programme (EU Budget Support Programme)
LGR	Local Governance Rehabilitation Programme (EU-funded post-floods project)
LSO	Local Support Organisation
MDGs	Millennium Development Goals
MDTF	World Bank Managed Multi Donor Trust Fund
MIP	EU Multiannual Indicative Programme
MoFA	Ministry of Foreign Affairs
NGOs	Non-governmental Organizations
NRSP	National Rural Support Programme
NSA	Non State Actors
PEACE	Programme for Economic Advancement and Community Empowerment (EU-funded)
PEFA	Public Expenditure Framework Assessment
PFM	Public Finance Management
PMU	Project Management Unit
PPAF	Pakistan Poverty Alleviation Fund
RAHA	EU-funded and UNDP Implemented Refugees Affected and Hosting Areas Programme
RSPN	Rural Support Programmes Network
RSPs	Rural Support Programmes
SRSP	Sarhad Rural Support Programme
SUCCESS	Sindh Union Council and Community Economic Strengthening Support (EU-funded)
TA	Technical Assistance
UNDP	United Nations Development Programme
UC	Union Council
USAID	United States International Agency for International Development
VO	Village Organisation
WB	The World Bank

**Annex: INDICATIVE LOGFRAME MATRIX: BALOCHISTAN RURAL DEVELOPMENT & COMMUNITY EMPOWERMENT PROGRAMME\***

Intervention logic		Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To support the Government of Balochistan in reducing the negative impact of economic deprivation, poverty and social inequality, environmental degradation and climate change, and to turn this into opportunities to build and empower resilient communities participating actively in identifying and implementing socio-economic development activities on a sustainable basis in partnership with local authorities	Reduction in the national and Balochistan poverty levels as defined by the Government of Pakistan	2016: To be determined at baseline definition	2021: at least 25% of the poor household see an improvement in their incomes; 2021: at least 40% of the population graduate from the lowest to upper poverty score card band levels; 2021: at least 50% of the population of the targeted areas report improved access to basic social services; 2018: policy framework for community-led development adapted, and PFM reform process initiated based on the 2016 PEFA;	Baseline, mid-term, final, and ex-post evaluations; Progress reports and monitoring data; Comparison of pre and post intervention poverty score card data of the targeted populations; Comparison of baseline and end-line statistics; GoP and GoB Statistics, and GoB Budget documents Balochistan PEFA	No security risks arise due to law and order situation; Project Funding and support of Government is continued throughout the project period; No natural calamities occur;
		An increase in the country's Human Development Index (HDI) score % of population, segregated by gender, in the targeted areas with improved incomes; % of population, segregated by gender, in the targeted areas graduating from lowest to upper poverty score card (PSC) band levels; % of population, segregated by gender, with improved access to basic social services; A policy framework, accompanied by PFM reform process, for community-led development, is adopted and operationalised by the Government of Balochistan;	2016: none			

<b>Specific objectives: Outcome</b>	<p><b>SO 1:</b> To empower citizens and communities and provide them with means enabling them to implement community-driven socio-economic development interventions, an increased voice and capability to influence public policy decision making through active engagement with local authorities for quality, inclusive, and equitable service delivery, and civic-oversight</p>	<p>% of community organisations (men, women and mix) meeting the minimum acceptable thresholds on the Institutional Maturity Index;</p> <p>Extent of change in citizen's perception of their involvement in local governance processes;</p> <p>Extent of change in citizen's perception of the quality and access to services;</p>	<p>2016: To be determined at baseline definition</p> <p>2016: no baseline</p> <p>2016: no baseline</p>	<p>2021: 70% community organisations (men, women and mix) meet the minimum acceptable thresholds on the Institutional Maturity Index;</p> <p>2021: 50% improvement in the citizens' perception of their involvement in local governance processes;</p> <p>2021: 40% increase in the targeted population (70% of the poor) reporting improved access to basic social services;</p> <p>2021: community-local authorities interaction covered by a policy framework;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Progress reports and monitoring data;</p> <p>Comparison of pre and post intervention poverty score card data of the targeted populations;</p> <p>GoP and GoB Statistics;</p> <p>Comparison of baseline and end-line statistics;</p>	<p>No security risks arise due to law and order situation;</p> <p>No difficulty of access to project area due to harsh geographic /climatic conditions;</p> <p>No natural calamities occur</p> <p>Government is supportive of the programme &amp; accepts participative development approaches;</p> <p>Citizens remain willing to become members of representative bodies</p> <p>Local government remains willing to engage with these community institutions;</p>
	<p><b>SO 2:</b> To foster an enabling environment for strengthening the capacities of local authorities to manage and involve communities in the statutory processes of the local public sector planning, financing and implementation process</p>	<p>A Policy Framework for community-driven participative local development is adopted and operationalised;</p> <p>Statutory local public sector planning, financing, and implementation is jointly undertaken by the local authorities and communities;</p> <p>Extent of change in citizen's perception of their involvement in local governance processes;</p> <p>Extent of change in citizen's perception of the quality and access to services;</p>	<p>2016: none</p> <p>2016: none</p> <p>2016: no baseline</p> <p>2016: no baseline</p>	<p>2018: Policy framework for community-led development adopted and operationalised</p> <p>Joint public sector local development plans developed in participation of communities and local authorities;</p> <p>2021: 50% improvement in the citizens' perception of their involvement in local governance processes;</p> <p>2021: 40% increase in the targeted population (70% of the poor) reporting improved access to basic social services;</p>	<p>GoB notifications and budget documents</p> <p>Government, TA, and IP progress reports</p> <p>Baseline, mid-term, final, and ex-post evaluations</p> <p>Progress reports and monitoring data</p>	<p>GoB remains supportive of the community driven local development initiatives;</p> <p>GoB fully owns and leads PFM Reform process</p> <p>Long-term GoB engagement for PFM reform</p>



<b>Outputs</b>	<p><b>ER 1.1:</b> Establishment and empowerment of a three-tiered participative system of federated community organisations at community, village and union council levels capable of development needs identification &amp; prioritisation, development planning, resource mobilisation, and execution, and operation &amp; maintenance of community infrastructures</p>	<p>% of population, segregated by gender, in the targeted areas brought into organised fold through formation of COs-VOs-LSOs (three-tiered) echelons;</p> <p>% of community organisations (men, women and mix) meeting the minimum acceptable thresholds on the Institutional Maturity Index;</p> <p>% of community organisations having developed VDPs and UCDP, and resource mobilisation strategies, in partnership with local authorities;</p> <p>% of community organisations having established O&amp;M mechanisms;</p> <p>% increase in the targeted population, segregated by gender, reporting improved access to basic social services;</p>	<p>2016: to be determined at baseline definition</p> <p>2016: no baseline</p>	<p>2021: at least 70% population in the targeted areas is brought into organised fold;</p> <p>2021: 70% community organisations meet the minimum acceptable thresholds on the Institutional Maturity Index;</p> <p>2021: 100% community organisations have developed VDPs and UCDP in partnership with local authorities;</p> <p>2021: 100% community organisation have established O&amp;M mechanisms;</p> <p>2021: 40% increase in the targeted population (70% of the poor) reporting improved access to basic social services;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Progress reports and monitoring data;</p> <p>Comparison of pre and post intervention poverty score card data of the targeted populations;</p> <p>GoP and GoB Statistics;</p> <p>Comparison of baseline and end-line statistics;</p>	<p>No security risks arise due to law and order situation;</p> <p>No difficulty of access to project area due to harsh geographic /climatic conditions;</p> <p>No natural calamities occur</p> <p>Government is supportive of the programme &amp; accepts participative development approaches;</p> <p>Citizens remain willing to become members of representative bodies</p> <p>Local government remains willing to engage with these community institutions;</p>
	<p><b>ER 1.2:</b> Increased capacity of citizens, communities and marginalised groups, particularly women, to assert their rights and hold local authorities accountable by engaging them in joint participatory development planning and execution for a more relevant and efficient public service delivery</p>	<p>% of community organisations (men, women and mix) meeting the minimum acceptable thresholds on the Institutional Maturity Index;</p> <p>Extent of change in citizen's perception of the quality and access to services and infrastructure</p> <p>Extent of change in citizen's perception of their involvement in local governance processes</p> <p>No of village and UC development plans developed in partnership with local authorities;</p> <p>No of community-LA joint accountability forums held;</p> <p>% increase in quantum of resources mobilised from sources other than the government for projects prioritised in development planning;</p>	<p>2016: To be determined at baseline definition</p>	<p>2021: 70% community organisations (men, women and mix) meet the minimum acceptable thresholds on the Institutional Maturity Index;</p> <p>60% population, segregated by gender, express satisfaction with the quality and access to services received;</p> <p>60% population, segregated by gender, express satisfaction with their involvement in local governance processes;</p> <p>2021: 100% community organisations have developed VDPs and UCDP in partnership with local authorities;</p> <p>At least 10% of the development plans resources mobilised from sources other than the government investments;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Progress reports and monitoring data;</p> <p>Comparison of pre and post intervention poverty score card data of the targeted populations;</p> <p>GoP and GoB Statistics;</p> <p>Comparison of baseline and end-line statistics;</p>	<p>Citizens remain willing to become members of representative bodies;</p> <p>Local government remains willing to engage with these community institutions;</p> <p>No natural calamities occur;</p>

	<p><b>ER 1.3</b> Improved access of communities, particularly women and marginalised groups, to quality public services and benefit from climate-resilient community infrastructures and productive assets planned and maintained jointly with local authorities</p>	<p>% increase in population, segregated by gender, accessing basic social services at community, village, UC and district levels;</p> <p>% of community organisations having functional CPIs;</p> <p>% CPIs compliant with environmental and climate resilience standards;</p> <p>Extent of change in citizen's perception of the quality and access to services and infrastructure;</p>	<p>2016: To be determined at baseline definition</p>	<p>2021: 40% increase in population, segregated by gender, (at least 70% poor) accessing basic social and public services at community, village, UC and district levels;</p> <p>2021: 90% of the CPIs are functional and maintained by the community organisations jointly with local authorities;</p> <p>60% population, segregated by gender, express satisfaction with their involvement in local governance processes;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Progress reports and monitoring data;</p> <p>Comparison of pre and post intervention poverty score card data of the targeted populations;</p> <p>Comparison of baseline and end-line statistics</p>	<p>Citizens remain willing to become members of representative bodies;</p> <p>No natural calamities occur</p>
	<p><b>ER 1.4:</b> Increased number of poor community members, particularly women and marginalised groups, are engaged in income generating activities</p>	<p>% increase in HHs incomes derived from income generating grants and assets transfer as productive investments</p> <p>% of women reporting an increase in HHs income</p> <p>% of population in the targeted areas graduating from lowest to upper poverty score card (PSC) band levels;</p> <p>% women reporting improved life skills, economic empowerment, enhanced mobility, and leadership/management skills;</p>	<p>2016: To be developed during the inception phase</p>	<p>2021: at least 25% increase in the average HHs of the targeted communities;</p> <p>2021: 50% women reporting at least 40% increase in HHs income;</p> <p>2021: at least 40% of the population graduate from the lowest to upper poverty score card band levels;</p> <p>2021: 50% women reporting improved life skills, economic empowerment, enhanced mobility, and leadership/management skills;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Progress reports and monitoring data;</p> <p>Comparison of pre and post intervention poverty score card data of the targeted populations;</p> <p>Comparison of baseline and end-line statistics;</p> <p>IPs' reports, results framework and LFA, and implementation and communication and visibility strategies</p>	
	<p><b>ER 1.5:</b> Experiences on the ground are assessed and disseminated in order to inspire the design of the building blocks of a Local Development Policy framework</p>	<p>No of assessments;</p> <p>No of dissemination events held;</p>	<p>2016: none</p>	<p>2018: Policy framework for local development, taking cognizance of the field experiences, is developed and operationalised;</p>	<p>TA and IP progress reports and monitoring data;</p> <p>GoB notifications and budget documents;</p> <p>Event reports;</p>	<p>GoB remains supportive of the community driven local development initiatives;</p>

	<p><b>ER 2.1:</b> A dedicated policy framework to deliver economic environmental and social outcomes in a process involving the local authorities and communities, and its institutional arrangements for community-led development and participation in local governance processes for effective service delivery in partnership with local authorities is developed and operationalised</p>	<p>GoB drafts and approves a community-led development policy framework;</p> <p>A functional institutional/ organisational set-up for the policy framework is in place;</p>	<p>2016: none</p>	<p>2018: Policy framework is drafted, approved and progressively implemented;</p> <p>2018: Institutional arrangements for policy framework notified by the GoB;</p> <p>2020: Segment of the administration and local governments are implementing the policy;</p> <p>2020: Implementation framework and institutional arrangements for SWAps in place;</p>	<p>GoB notifications and budget documents;</p> <p>TA reports;</p>	<p>GoB remains supportive of the community driven local development initiatives;</p>
	<p><b>ER 2.2:</b> Improved capacities of the local authorities to become "developmental", mobilise their resources to reach out communities, and systematically involve them in planning, co-resourcing and managing local development activities</p>	<p>% of elected national, provincial and local government representatives, and authorities imparted training on community-driven local development approaches;</p> <p>Extent of change in citizen's perception of the quality and access to services and infrastructure;</p> <p>Extent of change in citizen's perception of their involvement in local governance processes;</p>	<p>2016: none</p>	<p>60% population, segregated by gender, express satisfaction with the quality and access to services received;</p> <p>60% population, segregated by gender, express satisfaction with their involvement in local governance processes;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Progress reports and monitoring data;</p> <p>GoP and GoB Statistics;</p> <p>Comparison of baseline and end-line statistics;</p> <p>TA and technical implementation reports;</p> <p>GoB budget documents and notifications;</p>	<p>GoB remains supportive of the community driven local development initiatives;</p> <p>GoB fully owns and leads PFM Reform process</p> <p>Long-term GoB engagement for PFM reform</p>
	<p><b>ER 2.3:</b> A PFM reform strategy and action plan are developed and implemented. This result will provide Balochistan with basic components for improved public financial management at provincial level and will pursue greater harmonisation and alignment among donors and move towards an eventual Sector-Wide Approach to community-led development under government leadership</p>	<p>PFM Strategy, Action Plan adopted and implemented</p> <p>SWAps for community-led development and engagement in governance processes;</p>	<p>PEFA 2016</p>	<p>2016: PFM Strategy Adopted</p> <p>2017: Action Plan adopted</p> <p>2017-19: Implementation in line with PFM Action Plan</p> <p>2020: Implementation framework and institutional arrangements for SWAps in place;</p>	<p>Government Progress Reports</p> <p>PEFA Report</p>	<p>GoB fully owns and leads PFM Reform process</p> <p>Long-term GoB engagement for PFM reform</p>

	<p><b>ER 2.4:</b> The Balochistan Rural Development Academy has acquired the necessary capacity to deliver a comprehensive capacity building programme on community-led development and local governance</p>	<p>Training modules integrate topic on community-led development and local governance;</p> <p>No of GoB staff and other actors trained on community-led development;</p> <p>No of BRDA staff trained on community-led development approaches;</p> <p>BRDA has developed effective linkages with European and other resources and organisations for tapping technical resources;</p>	<p>2016: none</p>	<p>2020: Balochistan Rural Development Academy is capable of imparting comprehensive training on community-led development and local governance;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Technical capacity assessment reports;</p> <p>Progress reports and monitoring data;</p> <p>GoP and GoB Statistics;</p> <p>Comparison of baseline and end-line statistics;</p>	<p>GoB remains supportive of the community driven local development initiatives;</p>
	<p><b>ER 2.5:</b> Technical and institutional capacities of implementing partners strengthened to effectively support the Government of Balochistan in its objective of improving public service delivery</p>	<p>IPs develop a common results framework agreed with GoB;</p> <p>IPs follow a uniform monitoring system;</p> <p>IPs follow uniform, but contextualised, implementation strategies for the various components of the programme;</p> <p>IPs develop and follow a common Communication &amp; Visibility Strategy;</p>	<p>2016: none</p>	<p>2017: Preparation phase; harmonised systems developed and adopted and staff trained;</p>	<p>Baseline, mid-term, final, and ex-post evaluations;</p> <p>Progress reports and monitoring data;</p> <p>IPs' reports, results framework and LFA, and implementation and communication and visibility strategies;</p> <p>Inception phase reports;</p>	<p>GoB remains supportive of the community driven local development initiatives;</p> <p>Implementing partners cooperate with each other;</p>

\* The log frame will be updated in view of the gender analysis and a more specific definition of the project components and determination of the baseline and targets during the preparation phase of the project (ER 0)