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## Technical Assistance for a Balochistan Community Led Development Policy Framework

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### BRACE Theory of Change Assignment

8 September to 30 July 2021

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## Abbreviations

AD	action document
AKRSP	Aga Khan Rural Support Programme
AML/CFT	anti-money laundering/countering the financing of terrorism
BCDGS	Balochistan Comprehensive Development and Growth Strategy
BRACE	Balochistan Rural Development & Community Empowerment Programme
BRSP	Balochistan Rural Support Programme
CO	community organisation
COVID-19	coronavirus disease 2019
CDPR	Consortium for Development Policy Research
CIF	community investment fund
CPEC	China-Pakistan Economic Corridor
CPI	community physical infrastructure
DAC	Development Assistance Committee
DEVCO	Directorate-General for International Cooperation and Development
DG NEAR	Directorate-General Neighbourhood and Enlargement Negotiations
DoA	description of the action
EC	European Commission
ER	expected result
EU	European Union
FY	fiscal year
GDP	gross domestic product
GoB	Government of Balochistan
HIES	Household Income Expenditure Survey
IFAD	International Fund for Agricultural Development
IGG	income generating grant
IMF	International Monetary Fund
JDDC	Joint District Development Committee
KP	Khyber Pakhtunkhwa
LG&RDD	Local Government and Rural Development Department
LSO	local support organisation
MIP	(European Union-Pakistan) Multi-annual Indicative Programme 2014-2020
MIP	micro investment plan
MPI	Multidimensional Poverty Index
NFC	National Finance Commission
NRSP	National Rural Support Programme
OECD	Organisation for Economic Cooperation and Development
P&DD	Planning and Development Department
PEFA	public expenditure and financial accountability
PFM	public financial management
PKR	Pakistani rupees
PPAF	Pakistan Poverty Alleviation Fund
PRAG	practical guide
PSC	poverty score card
PSDP	public sector development programme
PWDs	persons with disability
ROM	results-oriented monitoring
RSP	Rural Support Programme
RSPN	Rural Support Programmes Network
SDGs	Sustainable Development Goals
SEZ	special economic zone
SO	strategic objective
SWAp	sector-wide approach
TA	technical assistance
ToRs	terms of reference
TVET	technical and vocational education and training
UNDP	United Nations Development Programme
VO	village organisation

## 1. BRACE THEORY OF CHANGE ASSIGNMENT: INTRODUCTION

### 1.1. OBJECTIVE AND CONTRIBUTION OF THE ASSIGNMENT

The theory of change (ToC) assignment was undertaken during September-November 2020 at the request of the European Union Delegation (EUD). It was required to build on the intervention logic described in the Action Document (AD) of the Balochistan Rural Development & Community Empowerment Programme (BRACE) in accordance with European Union (EU) technical guidance. The parameters for the assignment were established so as to faithfully present the design of the programme, as described in the AD, the Description of the Action (DoA) documents prepared by the Rural Support Programmes (RSPs), the terms of reference (ToRs) of the technical assistance (TA) Team, and the revised logframe of 2020.

The intervention logic<sup>1</sup> is expected to contribute to BRACE in a number of ways:

- Intervention logic provides a ***better description than a logframe of how an intervention is expected to lead to results in the prevailing context***. The completed document includes an updated assessment of the opportunity framework (enabling and hindering factors) and captures the dynamics from expected results (outputs) to strategic objectives (outcomes) and the overall objective (impact).
- The opportunity framework ***provides a solid grounding in the context***, which has witnessed several important changes since the programme was launched in 2017. These include the installation of new national and provincial governments (August 2018), the ongoing macro-economic stabilisation programme (launched in July 2019), the coronavirus disease 2019 (COVID-19) pandemic, declining economic growth, rising inflation, increasing poverty, activities of the China-Pakistan Economic Corridor (CPEC), and the pursuit of the Sustainable Development Goals (SDGs).
- The intervention logic will ***facilitate assessments of BRACE*** by the EU's external monitoring mission and the BRACE mid-term review. It will also ***facilitate self-assessment*** by the implementing partners (IPs).
- The assignment's deliverables and process ***help identify challenges and options*** for the remainder of the programme duration and beyond. This will ***help structure policy dialogue*** among the IPs, the Government of Balochistan (GoB) and the EU.

### 1.2. OVERALL PROCESS

The assignment was driven by EU's technical guidance on intervention logic, a participatory process for engaging the stakeholders and a comprehensive review of relevant documents. The TA Team prepared the ToRs in consultation with the IPs to reflect the requirements of the EUD. Annex 1 presents the assignment ToRs, work plan and expected deliverables for the ToC Expert. The technical approach for developing the intervention logic is described with reference to EU guidance in Chapter 2; it was discussed with and facilitated by the EUD.

Interaction with the 13-member ToC Working Group and six other stakeholders mobilised for participating in the process is summarised in Annex 2, together with the list of reference documents that are cited in this report. These stakeholders received seven handouts in two batches at the start of the process for clarifying technical concepts and the overall approach. Subsequently, the ToC Expert invited them to provide feedback on the context and intervention logic documents. All 19 stakeholders contributed to the process.

The ToC Expert prepared an overview of the BRACE programme approach with reference to the AD, the DoA documents of the IPs, the ToRs of the TA Team, the revised logframe and IP targets of 2020, and the reports of the EU-funded public financial management (PFM) TA. The overall approach is summarised in Chapter 3, with additional information and the 2020 revised global logframe in Annex 3.

Document review, supplemented by clarifications and other inputs from the IPs, generated the opportunity framework with the enabling and hindering factors summarised in Chapter 4. The complete document prepared for providing context to the intervention logic and the BRACE programme as a whole is reproduced in Annex 4. This and the design documents mentioned above led to the intervention logic, which is presented as a stand-alone document in Chapter 5 and is fully aligned with the design

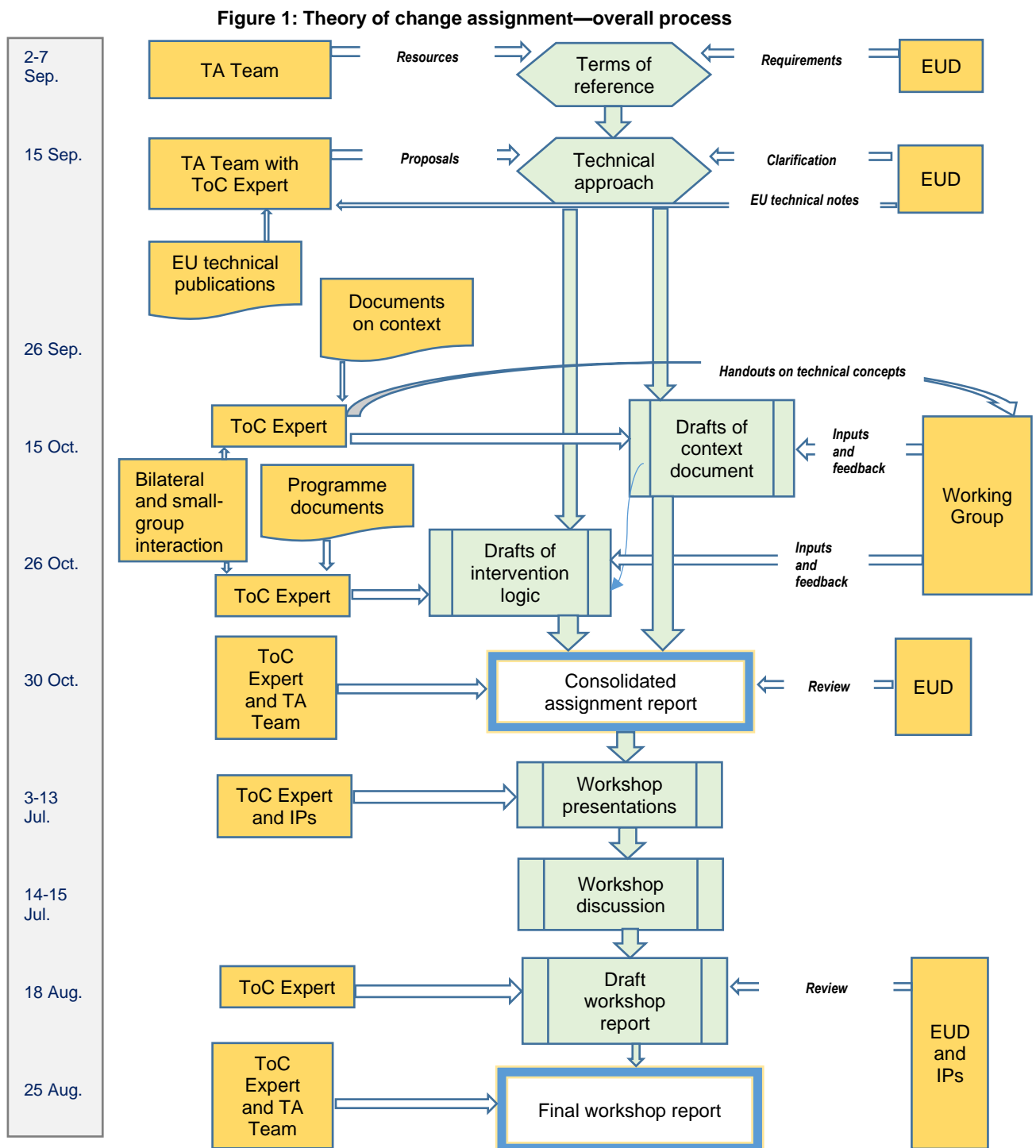
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<sup>1</sup> Although the terms "theory of change" and "intervention logic" may be used interchangeably, the EU prefers "intervention logic" and that is the term used in the remainder of this document.

documents. It identifies critical assumptions based on the enabling and hindering factors and traces the links between and within levels of results (outputs, outcomes and impact).

As the last step of the ToC assignment, a 1½-day concluding workshop for 27 participants, including representatives of the EUD, the Government of Balochistan and implementing partners, was held in Quetta on 14-15 July 2021. The workshop aimed to develop a common understanding of programme design and identify challenges and options for the way forward during and beyond the project duration.

The process described above is illustrated in Figure 1.



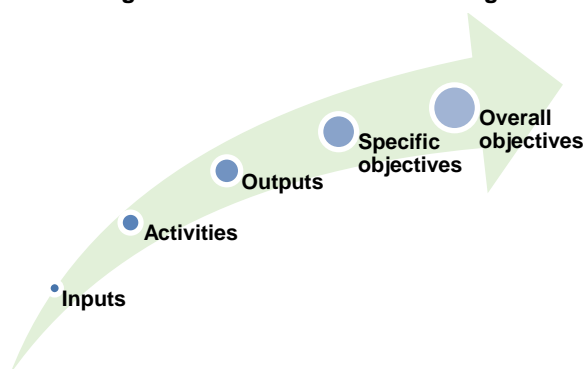
## 2. METHODOLOGY

### 2.1. METHODOLOGY FOR INTERVENTION LOGIC

The terms “theory of change” and “intervention logic” may be used interchangeably.<sup>2</sup> In the European Commission (EC)’s work, however, “intervention logic” is the standard term. Moreover, the purpose behind intervention logic and the logframe is the same, that is, to describe how an intervention is expected to lead to results. However, the intervention logic provides some advantages over the logframe. Its logic and the sequence between inputs, activities and objectives (expressed at output, outcome, and impact level) is less linear. It helps establish the direct and indirect linkages between effects within the same level and/or between levels. In a logframe, activities are usually directly linked to a single output, which in turn is directly linked to a single outcome. Underlying all three—theory of change, intervention logic and logframe—is the results chain.

Figure 2 is a simple illustration of the results chain, which shows the levels of intervention logic. The elements of the results chain are defined in Box 1.<sup>3</sup> The outputs in the BRACE logframe are also referred to as expected results. They reflect a particular interpretation of the definition of outputs given in Box 1: they are not the “direct products” of activities but “results accomplished with the resources allocated to the intervention”.<sup>4</sup>

Figure 2: Levels of intervention logic



#### Box 1: Elements of a results chain

- The resources available for the implementation of the intervention (political, technical, financial and human) are the **inputs** of the intervention.
- **Activities** are concrete tasks undertaken to produce outputs.
- **Outputs** are the direct products of activities produced or accomplished with the resources allocated to an intervention (the inputs).
- Outputs result in the realisation of **specific objectives (outcomes)**, the medium-term results an Action is expected to achieve in its social (including political), economic and environmental area and/or on its direct addressees (participants/target groups).
- **Overall objectives (impacts)** are the long-term results to which an Action is expected to contribute in the social (including political), economic and environmental global context involving other stakeholders.

Results are defined as “the output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention”.<sup>5</sup> Thus, results generally include outcomes and impacts, but not so in

<sup>2</sup> This paragraph and the technical approach used in this document is based on Chapter 8 of the European Commission (EC) *Guidelines on Linking Planning/ programming, Monitoring and Evaluation*, prepared by the Directorate-General Neighbourhood and Enlargement Negotiations (DG NEAR) in July 2016 ([https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programing-vol-1-v-0.4.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programing-vol-1-v-0.4.pdf)), referred to as EC 2016 in this document. For all practical purposes, this is consistent with results-oriented monitoring (ROM) in the Directorate-General for International Cooperation and Development (DEVCO), ([https://ec.europa.eu/knowledge4policy/organisation/dg-devco-dg-international-cooperation-development\\_en](https://ec.europa.eu/knowledge4policy/organisation/dg-devco-dg-international-cooperation-development_en)), which deals with developing countries, and the guidelines under which the BRACE Action Document and logframe were prepared. Both Directorates-General have a common substantive approach to ROM ([https://europa.eu/capacity4dev/rom/wiki/what-results-oriented-monitoring#:~:text=The%20Results%2DOriented%20Monitoring%20\(ROM,a%20strong%20focus%20on%20results\)](https://europa.eu/capacity4dev/rom/wiki/what-results-oriented-monitoring#:~:text=The%20Results%2DOriented%20Monitoring%20(ROM,a%20strong%20focus%20on%20results))).

<sup>3</sup> The source for Figure 2 and Box 1 is EC *Partnership Instrument Monitoring System (PIMS)—Guidelines*, v.1.2, September 2019, p. 6 (<https://vdocuments.mx/download/introduction-web-view-guidance-document-guidance-document-57-september-2019-iv-partnership>).

<sup>4</sup> The direct products of activities would be goods and services such as “community infrastructure schemes completed”, “income-generating grants delivered to poor households in the poverty score card band 0-23”, “officials trained in revised local planning procedures for community-identified plans”, “sector policy drafted and submitted to the government” and so on. In the BRACE logframe, direct products are prominent among the indicators of the ERs.

<sup>5</sup> This is the standard definition offered to the international development community by the OECD DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2010 (<https://www.oecd.org/dac/evaluation/2754804.pdf>). The same definition is used in EC 2016, with the



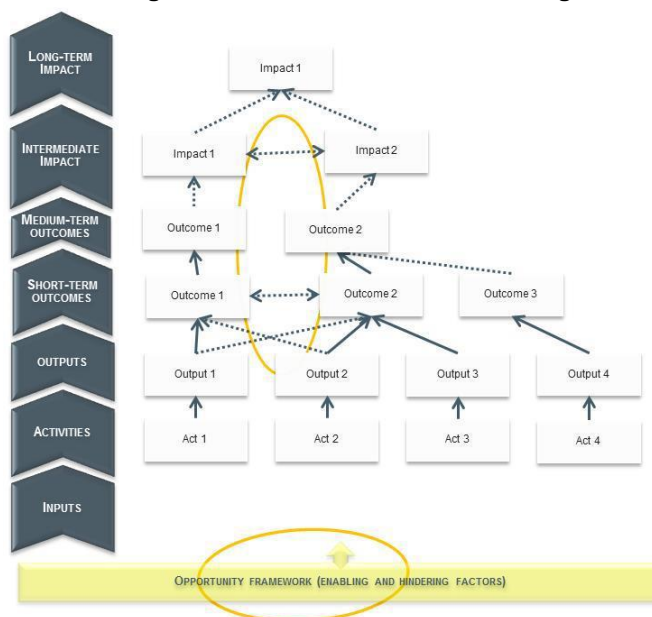
this document and the BRACE logframe, which follow previous EU guidelines in equating results only with outputs. The guidelines have now been superseded by the revised PRAG, effective August 2020, which is aligned with OECD DAC. The revised PRAG states that “The term ‘results’ includes: Overall Objective (impact), Specific Objective (outcome), Other outcomes and Outputs”.<sup>6</sup>

The complete intervention logic is illustrated in Figure 3, reproduced from EC 2016 (p. 34), and shows all levels of interest in this connection. One of the most important concerns for project managers and implementers is to understand the control and influence they have at various levels of the results chain. This is also a fundamental consideration while developing the intervention logic. As explained in EC 2016,<sup>7</sup> only inputs, activities and outputs in projects/programmes are within the intervention’s own sphere of control; direct influence could extend to short- and medium-term outcomes; and impacts can only be influenced indirectly. Budget support has indirect influence on outcomes and impacts.

The purpose of a logframe is also to describe how an intervention is expected to lead to results. There are, however, differences between the two:<sup>8</sup>

- In a logframe, activities are usually directly linked to a single output, which in turn is directly linked to a single outcome. The intervention logic helps establish direct as well as indirect linkages (represented with dotted arrows) between effects within the same level and/or between levels.
- Depending on the intervention at stake, outcomes might materialise in the short and/or medium-term, and impacts in the intermediate and/or long-term. This is clearly reflected in an intervention logic, and usually disregarded in a logframe.
- Unlike the logframe, the intervention logic includes the opportunity framework (enabling and hindering factors). These include:
  - EU policy and normative framework, EU internal policies, EU geographical strategic partnerships, other EU external action instruments, EU and partner country’s political and policy dialogue; and,
  - the country’s political, social, economic and environment contexts.
- The intervention logic also includes a discussion on the theories that logically link the activities with the intended results. A logframe is only a matrix with no space for such a discussion.
- A logframe includes indicators, which the intervention logic helps to generate but does not include within it.

**Figure 3: Illustration of intervention logic**



## 2.2. INTERPRETING KEY TERMS

### **Resilience**

The notion of strengthening the resilience of rural people in Balochistan is an important element of the EU’s Multi-annual Indicative Plan (MIP) 2014-2020 and duly reflected in the BRACE Action Document. The overall objective of BRACE aims, *inter alia*, “to build and empower resilient communities”. In simple

addition: “In the present guidelines, result will be assimilated to outcome (except when referring to a results chain).”

<sup>6</sup> <https://ec.europa.eu/europeaid/prag/document.do?nodeNumber=6.11>.

<sup>7</sup> Refer to Appendix 1 for further elaboration as well as differences between standard projects/programmes and budget support.

<sup>8</sup> These points are reproduced from EC 2016, pp. 33-34.

terms, resilience is the capacity to cope with or adapt to vulnerability.<sup>9</sup> At least two aspects of it need elaboration in the context of Balochistan, and both entail a systems perspective.

In the context of disaster risk reduction, the International Organisation for Migration has defined resilience as:

... the capacity of a system (an individual, household or community) exposed to pressures to avoid, resist and recover from their impacts in an efficient manner, without compromising its essential basic structures and functions. Careful consideration of risks and incorporation of risk-reducing and resilience-building measures into the broader emergency response effort need to begin at the earliest possible stage, generally from the very outset of the humanitarian response, and, where possible, build on pre-existing initiatives.<sup>10</sup>

The literature on countering violent extremism has also developed a systems perspective on resilience. A research article published by the United States Institute for Peace says, “Resilience is the ability of a community, people, state, or region to adopt new processes, norms, and strategies for conducting their lives and new societal relationships in response to a violent shock or uptick in aggression and brutality in order to prevent, mitigate, or recover from violence.”<sup>11</sup>

### **Local Government, Local Governance and Local Authorities**

The terms “local government”, “local governance” and “local authorities” are used in various sections of the AD and the logframe annexed to it. Subject to further discussion among the stakeholders, the following working definitions are proposed based on the context document (Annex 4, Section 3.1) and relevant literature:

- “Local government” is the constitutionally-mandated system of elected local representatives and associated administrative institutions established through provincial legislation.
- “Local authorities” (in the sense conveyed in the AD) are the locally-based officials of federal and provincial organisations working in an area. This is different from the way the term is used in EU guidance, where local authorities include local governments as well as managerial local authorities established by local or senior governments.<sup>12</sup>
- “Local governance” extends beyond local governments and local authorities.<sup>13</sup> As explained in EU guidance, it “is about the way power and authority are exercised at the local level.”<sup>14</sup> It requires, as the guidance elaborates:
  - “responsive and accountable [local authorities] acting on behalf of a local political constituency;” and,
  - active citizens, civil society organisations and private sector actors contributing to the development effort (e.g., in co-producing public services) and exercising a watchdog role with the capacity to demand rights, transparency and accountability.

Pending further discussion among the stakeholders, it is proposed that:

- Given its absence from the objectives and expected results (ERs) as stated in the AD and the logframe annexed to it, “local government” is not an appropriate term for inclusion in programme objectives and ERs.

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<sup>9</sup> See Patrick Guillaumont, “Vulnerability and Resilience: A Conceptual Framework Applied to Three Asian Countries—Bhutan, Maldives, and Nepal,” Asian Development Bank, South Asia Working Paper Series No. 53, October 2017, p. 8 (<https://www.adb.org/sites/default/files/publication/372936/swp-53.pdf>).

<sup>10</sup> International Organisation for Migration, Emergency Manual (<https://emergencymanual.iom.int/entry/19624/disaster-risk-reduction-and-resilience>).

<sup>11</sup> Lauren Van Metre, “Community Resilience to Violent Extremism in Kenya,” United Institute of Peace, Peaceworks No. 122, 2016 (<https://www.usip.org/publications/2016/10/community-resilience-violent-extremism-kenya>).

<sup>12</sup> This is elaborated in European Commission Directorate-General for International Cooperation and Development (DEVCO), “Supporting decentralisation, local governance and local development through a territorial approach,” November 2016, ([http://www.cib-ucig.org/sites/default/files/eu\\_supporting\\_local\\_governance.pdf](http://www.cib-ucig.org/sites/default/files/eu_supporting_local_governance.pdf)).

<sup>13</sup> This reflects the notion that governance extends beyond government: “Governance determines who has power, who makes decisions, how other players make their voice heard and how account is rendered. Governance is how society, or groups within it, organise to make decisions” (Institute of Governance, Canada; <https://iog.ca/what-is-governance/>).

<sup>14</sup> DEVCO 2016, *op. cit.*

- “Local authorities” and “local governance” may be used where warranted by the context, and “local government” will be used, where appropriate, in the indicators, targets and assumptions of the logframe, as is the case now.

### ***Community-led and Community-driven Local Development***

There are two other terms—“community-led development” and “community-driven development”—that are used interchangeably in the AD and may not seem to differ from each other in substantive terms. There is a point of view, however, that community-led development is different from community-driven development, in that the former “is more focused on building the capacity of the community as a system, while [the latter] can be an approach to a specific project.”<sup>15</sup> With this general understanding, “community-led development” is used in this document, as:

- it has been used four times more frequently than “community-driven development” in the AD; and,
- “community-led development” would be unique to Balochistan (“community-driven development” is used in other provinces) and the EU (“community-driven development” is used by other donors).

There is also the question of what constitutes a sector in the context of the SWAp that is envisaged in the AD “for support to rural development through community-led development”. Rural development is not a well-defined sector in the way, say, health, education, irrigation and agriculture are sectors. Rural development is generally conceived as a multi-sector concept and implemented through inter-departmental area development initiatives. In view of the cost, these are limited rather than province-wide initiatives.

Where an initiative pursues community-led local development (CLLD), it invariably requires: (a) government leadership and funding channelled through P&DD, which coordinates participating organisations working in a well-defined area;<sup>16</sup> (b) the involvement of a Rural Support Programme (RSP) for grass roots mobilisation and community institution-building;<sup>17</sup> and, (c) sizeable donor assistance through a project or budget support modality. The arrangement is ad hoc and time-bound and, to that extent, neither institutionalised nor sustainable in the long term.

The arrangement creates what is obviously a contrived sector, with a PC-I<sup>18</sup> serving as the administrative and financial instrument of contrivance. It has seldom been easy to manage these institutional arrangements, but they have been shown to work in most instances in all provinces of the country. No other arrangement has been devised in Pakistan so far for treating rural development as a sector for foreign assistance. Sector reform for local development has not been attempted through this mechanism so far, but there is no obvious constraint, in principle, on its inclusion.

## **3. OVERVIEW OF THE BRACE PROGRAMME APPROACH**

### **3.1. INTERVENTION LOGIC AS REFLECTED IN THE ACTION DOCUMENT**

The intervention logic of BRACE is anchored in the overall thrust of EU cooperation with Pakistan in the rural development sector, as described in the European Union-Pakistan Multi-annual Indicative Programme (MIP) 2014-2020, and summarised in Annex 3.<sup>19</sup> As described in the AD, the intervention logic is about changes to socio-economic conditions at the grass roots level: improvement in health and life expectancy, nutrition, education, literacy (to develop skills in support of economic growth),

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<sup>15</sup> This is from the website of the Movement for Community-led Development (<https://mclcd.org/definition/>), where a comparison is made with the World Bank’s community-driven approach. By coincidence, this movement has a set of goals (<https://mclcd.org/manifesto/>) that resonate favourably in the context of BRACE: voice and agency for women, youth and all marginalised groups; adequate community finance; good local governance; quality public service; and resilience.

<sup>16</sup> In BRACE, however, LG&RDD is the focal department and the Action Document speaks of a province-wide SWAp.

<sup>17</sup> The origins and approach of RSPs are described in the context document (Annex 4, Chapter 3).

<sup>18</sup> This is the Planning Commission Pro Forma I, the government’s template for project documents (<https://www.pc.gov.pk/uploads/downloads/PC-Forms/PC-I%20Social%20Sector.pdf>).

<sup>19</sup> Additional information on the MIP is provided in the annexed context document (Section 4.2).

population size and structure, and gender and social relations.<sup>20</sup> It intervenes both on the “demand” and “supply” sides of the service delivery equation.

On the demand side, the action combines a mix of transactional and transformational social mobilisation, capacity building, fostering mechanisms for accountability and civic oversight, creating agency and voice for the people, particularly women and the excluded, to become part of the development process, economic empowerment, participative bottom-up area-based development planning, and collective action for addressing critical community productive physical infrastructure constraints, to realise welfare and governance outcomes.

On the supply side, the action supports creating an enabling policy environment for community-led development through establishment of a policy framework and improvement of the public finance management (PFM) system, and empowerment of local authorities<sup>21</sup> 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 (SWAp) 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:

- 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.
- 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 PFM 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 the 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 SWAp. The programme will also contribute to the development and implementation of a PFM reform process leading to 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.
- 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. Much of the social mobilisation 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.

### **3.2. BRACE LOGFRAME AS REVISED IN 2020**

The standard practice is that the intervention logic developed during the planning process contributes, as the last step, the indicators and associated baselines, milestones and targets that are then taken to the Logframe (EC 2016, p. 43). In the case of BRACE, the AD includes the basic intervention logic, as described above, but not as comprehensively formulated as good practice (including EU’s) recommends. The AD also includes the preliminary logframe, which was revised in March 2020 and came up with five ERs for Strategic Objective 1 (SO1) and three for SO2. The technical assistance (TA) team revised the ERs for SO2 in September 2020, coming up with five ERs. These two revisions are

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<sup>20</sup> This section has been reproduced from Sections 1.1.1 and 4.3 of the BRACE Action Document by combining the text in which the intervention logic has been discussed in these two sections, with insignificant edits in a few sentences that do not change the meaning, substance or implication of anything contained in the Action Document.

<sup>21</sup> The AD uses three terms—local authorities, local governance and local government—without clarifying the difference between them. As indicated in the context document (Annex 4, Sections 3.1-3.3), these terms are not interchangeable.

combined in the logframe version shown in Annex 3 (Table 4), while the objectives and ERs from Annex 3 are reproduced in Table 1.<sup>22</sup> Notes in yellow highlighting draw attention to points on which clarity may be required.

**Table 1: BRACE objectives and expected results (results for Strategic Objective 2 from September 2020 revision)**

Strategic Objective 1	Strategic Objective 2
<b>SO1:</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.	<b>SO2:</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 [Note: The March 2020 revision had merged the 5 original ERs into 3 ERs for SO2. The September revision by the TA has 5 ERs, including one (ER 5) that is not in the AD.]
<b>ER 1 (SO1):</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 & prioritisation, development planning, resource mobilisation, and execution, and operation & maintenance of community infrastructures.	<b>ER 1 (SO2):</b> A dedicated policy framework, PFM reform strategy and action policy 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;
<b>ER 2 (SO1):</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.	<b>ER 2 (SO2):</b> Local governments/ <sup>23</sup> authorities have improved capacities to become “developmental”, mobilise their resources to reach out [to] communities, and systematically involve them in planning, co-resourcing and managing local development activities;
<b>ER 3 (SO1):</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. <sup>24</sup>	<b>ER 3 (SO2):</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 and build the capacities of local authorities to reach out to communities, and systematically involve them in planning, co-resourcing and managing local development activities.
<b>ER 4 (SO1):</b> Increased number of poor community members, particularly women and marginalised groups, are equipped with socio-economic opportunities. <sup>25</sup>	<b>ER 4 (SO2):</b> Technical and institutional capacities of implementing partners strengthened to effectively support the Government of Balochistan (GoB) in its objective of improving public service delivery.
<b>ER 5 (SO1):</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.	<b>ER 5 (SO2):</b> Cross-cutting/managerial tasks are implemented in support of the project objectives and expected results. <sup>26</sup>
<b>Overall Objective:</b> 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.	

<sup>22</sup> Out of the five ERs in Table 1, the first four are for the Balochistan Rural Support Programme (BRSP) and the National Rural Support Programme (NRSP), while ER 5 is only for the Rural Support Programmes Network (RSPN). Currently, RSPN’s logframe has five ERs, as they have unpacked their ER into five, each of which corresponds to one of their main activities. NRSP’s logframe has four ERs, which are the same as ERs 1-4 in Table 1. The BRSP and NRSP had eight ERs in the logframe until February 2020, when they were reduced to five during the revision process. Four of these are the first four ERs in Table 1 and the fifth one is for training of local government councillors.

<sup>23</sup> The word “governments” has been added here though it does not appear in the ERs as stated in the Action Document (including the logframe); however, it is included in the ER as stated in the TA Team’s terms of reference. See the discussion in Section 2.2.

<sup>24</sup> The highlighted words are included in the AD logframe and have been left out of the revised logframe.

<sup>25</sup> This revision has replaced the words “engaged in income generating activities” found in the Action Document.

<sup>26</sup> This ER is not in the Action Document or the revised logframe of March 2020; however, it is included in the ER as stated in the TA Team’s terms of reference.

## 4. OPPORTUNITY FRAMEWORK (ENABLING AND HINDERING FACTORS)

### 4.1. EUROPEAN UNION POLICIES AND PRIORITIES

The EU's policies and priorities are enabling factors for BRACE:<sup>27</sup>

- Balochistan Province is a priority area for EU cooperation with Pakistan.<sup>28</sup>
- Rural development is a key focal sector for EU funding interventions in Pakistan.
- EU strategy for rural development in Pakistan addresses multiple problems faced by Balochistan.
- EU strategy in Pakistan shows a preference for budget support/SWAp, if GoB can meet the requirements, and this preference is reflected in the BRACE design. This offers an opportunity for the GoB to address some of the deficiencies in its recurrent and development budgets that are resulting in the continuing neglect of rural women, the rural poor and other marginalised groups.
- The new European Consensus on Development reaffirms that eradication of poverty, which is particularly widespread and severe in Balochistan, remains the primary objective of European development policy.<sup>29</sup>
- The European Consensus on Development has aligned European development action with the 2030 Agenda built around the SDGs.
- It highlights as a matter of principle that the EU “values the participation of civil society organisations in development”.

### 4.2. COUNTRY AND PROVINCIAL CONTEXT

#### 4.2.1. Enabling Factors

The following factors are expected to enable development initiatives in Balochistan during the remainder of the programme:<sup>30</sup>

- Pakistan adopted the SDGs in 2016 and the GoB endorsed the provincial SDG Framework (with priority targets) in March 2020.
- While local government is constrained from contributing to the SDGs, the Rural Support Programmes (RSPs) supported by BRACE to mobilise rural communities offer opportunities for harnessing the people's potential and facilitating the GoB's initiatives in multiple sectors with effective outreach to women, persons with disability (PWDs) and other marginalised groups, consistent with the leave no one behind approach of the SDGs.<sup>31</sup>
- Fiscal transfers from the federal government constitute more than 90 percent of provincial receipts, which are guaranteed under the Seventh National Finance Commission (NFC) award.
- The prime minister has expressed the intention of the federal government to launch a series of development projects for Balochistan.
- There are potential synergies between BRACE and at least three pillars of the GoB's Balochistan Comprehensive Development and Growth Strategy (BCDGS) 2019-2025 (Growth Pillar 3: Exploration of Minerals and Natural Resources, Growth Pillar 5: Protecting Agriculture and Livestock, and Growth Pillar 6: Investing in Human Capital, Social Protection and Services).
- The western route of the China-Pakistan Economic Corridor (CPEC) is scheduled for completion in 2020 and expected to benefit seven districts of Balochistan in its zone of influence—Gwadar, Kech, Khuzdar, Kalat, Quetta, Killa Saifullah and Zhob—and integrate them with national markets.

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<sup>27</sup> EU policies and priorities are discussed in the annexed context document (Chapter 4).

<sup>28</sup> The first four bullet points here are based on the European Union-Pakistan Multi-annual Indicative Programme (MIP) 2014-2020.

<sup>29</sup> This and the next two bullet points are based on “The new European Consensus on Development—EU and Member States sign joint strategy to eradicate poverty” (<https://www.consilium.europa.eu/en/press/press-releases/2017/06/07/joint-strategy-european-consensus-development/#:~:text=The%20new%20European%20Consensus%20on%20Development%20constitute%20a,framework%20for%20European%20development%20cooperation.&text=In%20doing%20so%2C%20it%20aligns,for%20the%20EU%20Global%20Strategy>).

<sup>30</sup> The enabling and hindering factors associated with the country and provincial context are discussed in all four chapters of the annexed context document.

<sup>31</sup> The BRACE programme districts account for 36 percent of the 2017 rural population of Balochistan.

- The GoB, in 2018, started implementing a Public Financial Management Reform Strategy (PFM-RS) prepared with EU assistance. This is the first step in eligibility for budget support from development partners, including the EU.
- With contributions from the RSPs and the TA Team, BRACE can enhance the impact of the PFM reform process by contributing proposals for community-led local development.
- The tested combination of RSPs and community institutions adds resilience to government and social systems in the prevailing situation of extreme hardship, in which the effects of the pandemic have been added to the consequences of the ongoing macroeconomic stabilisation programme.

In the longer perspective (2023-2030):

- Pakistan's and the GoB's commitment to the SDGs extends to 2030.
- While the potential of empowered local government to contribute to the SDGs is likely to remain untapped, the presence of RSPs and their outreach through community institutions in 29 of the 33 districts of Balochistan offers promising opportunities for a partnership for inclusive development with the GoB.
- The GDP growth rate is expected to improve incrementally after 2022.
- The GoB aims to implement the PFM-RS by 2026.
- Large infrastructure projects planned under CPEC are expected to be completed in Balochistan, thereby improving the economic and employment prospects in parts of the province.
- Large infrastructure projects create the potential for change, but the poor and marginalised cannot benefit from them as readily as the well-to-do, which increases inequality, unless those who are left behind are also enabled to benefit. RSPs and associated community institutions provide pathways for the poor and marginalised to internalise the positive externalities that will be opened up by CPEC and benefit from new opportunities.<sup>32</sup>

#### 4.2.2. Hindering Factors

The following factors are expected to significantly hinder development initiatives in Balochistan during the remainder of the programme:

- The political environment in the country is highly acrimonious, opposing forces are on a collision course, and there are no signs yet of a negotiated end to the looming confrontation.
- The security situation, which had been improving, has been undermined by an increase in incidents of terrorism in recent weeks in Balochistan and other parts of the country.
- Recent high levels of inflation, particularly food inflation in rural areas, have sapped the spirit and resources of the public, affecting resilience highly adversely.
- The national gross domestic product (GDP) decreased by 1.5 percent in fiscal year (FY) 2019-20. In Balochistan, it is estimated to have decreased by 2 to 6 percent.<sup>33</sup> GDP growth is projected to remain negligible during the remainder of the programme period.
- Poverty in Balochistan, based on the official basic needs approach,<sup>34</sup> is projected to rise to unprecedented levels (possibly as high as 70-80 percent)<sup>35</sup> as a result of the coronavirus

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<sup>32</sup> This was an important part of the rationale for launching the Aga Khan Rural Support Programme in Gilgit-Baltistan in 1982: to help the region's villagers to capitalise on the potential opened up by the completion of the Karakoram Highway that linked Pakistan with China through the region. This was achieved by mobilising rural communities, empowering them to decide what they thought was important for their development, and providing technical and financial support for local development interventions that the communities could implement and sustain themselves.

<sup>33</sup> Government of Balochistan, Planning and Development Department, "COVID-19: Balochistan Socio-economic Impact Assessment," n.d., pp. 9-11. (Data used in the report suggest that it was prepared in May-June 2020.)

<sup>34</sup> This approach was adopted by the Planning Commission of Pakistan for estimating poverty levels from 2013-14 onward. It is explained in the "National Poverty Report 2015-16" ([https://www.pc.gov.pk/uploads/report/National\\_Poverty\\_Report\\_2015-16\\_12-07-18\(Formatted\\_by\\_JACC\)1.pdf](https://www.pc.gov.pk/uploads/report/National_Poverty_Report_2015-16_12-07-18(Formatted_by_JACC)1.pdf)) published by the Ministry of Planning, Development and Reform (now the Ministry of Planning, Development and Special Initiatives).

<sup>35</sup> Government of Balochistan, *op. cit.*, pp. 12-15. These poverty estimates are based on the Household Income Expenditure Survey (HIES) 2015-16. The report says (p. 14) that microdata made available by the Pakistan Bureau of Statistics from HIES 2018-19 shows that the incidence of poverty in Balochistan decreased from 42.3 percent in 2015-16 to 40.7 percent in 2018-19.

disease 2019 (COVID-19) pandemic and the ongoing International Monetary Fund (IMF) programme in the country.

- Considering the indicators that constitute the Multidimensional Poverty Index (MPI), it is certain that the poverty headcount and severity in terms of the MPI will register substantial (perhaps unprecedented) increases in Balochistan between 2018 and 2022.<sup>36</sup>
- The GoB, in 2019, gave charge of local bodies to official (civil service) administrators and announced that new local government elections will be held after fresh delimitation of constituencies, which cannot be undertaken until the Council of Common Interests approves the final results of the 2017 population census.<sup>37</sup>
- The operating environment for civil society organisations as well as independent support mechanisms (RSPs) and associated community institutions has worsened considerably since 2018 and may become more adverse by 2022. However, the RSPs and the TA Team are working with the GoB to mitigate the adverse effects.

In the longer perspective (2023-2030):

- Balochistan has a high population growth rate (3.37 percent per annum, according to the provisional results of the 2017 population census).
- There is increasing throw-forward<sup>38</sup> in the public sector development programme (PSDP) of the GoB, which leaves diminishing space for future development initiatives.
- Provincial and federal governments have been making discretionary allocations to elected representatives outside the planning and development process, which will continue to undermine rules-based mechanisms.
- GoB's institutional capacities for managing budget support and implementing large multi-sector development initiatives are likely to improve very slowly.<sup>39</sup>
- Institutional capacities for mobilising own resources from within the province are also likely to improve very slowly.
- There is no prospect for empowered—or even strengthened—local government under the prevailing political economy.

## 5. UPDATED INTERVENTION LOGIC AND DIAGRAMS

### 5.1. CONSTRUCTING INTERMEDIATE AND LONG-TERM IMPACTS FROM THE OVERALL OBJECTIVE

The overall objective of BRACE 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.” This statement has two parts, one of which is stated in terms of a pervasive negative impact and the other flows from opportunities intended to be created through the programme. These two parts are at different levels, inasmuch as they are associated with different

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<sup>36</sup> The MPI spans three dimensions—health, education and standard of living—that are reflected through 15 indicators, of which three reflect deprivation in education, four in health and eight in standard of living. In view of the weights assigned, deprivation in education is the largest contributor to MPI, followed by deprivation in standard of living and in health. In terms of indicators, years of schooling, followed by access to health facilities and child school attendance, are the main drivers of the MPI. See Government of Pakistan, Finance Division, *Pakistan Economic Survey 2015-16*, Annex III ([http://www.finance.gov.pk/survey\\_1516.html](http://www.finance.gov.pk/survey_1516.html)).

<sup>37</sup> The Council of Common Interests is a constitutional body that belongs to the federation. It is chaired by the prime minister and includes all four chief ministers and three federal cabinet members nominated by the prime minister. It has been unable to approve the final results because of disagreement among the political parties.

<sup>38</sup> “Throw-forward” is a term used in the government to define the claim of present portfolio of projects on future fiscal resources.

<sup>39</sup> Widespread deterioration between 2007 and 2017 was noted in the “Public Expenditure and Financial Accountability (PEFA) Performance Assessment Report,” April 2017, pp. 10-11 (<http://documents1.worldbank.org/curated/en/794111540553782391/pdf/Balochistan-PEFA-Assessment-April-2017.pdf>) prepared by the Government of Balochistan and Development Partners (The World Bank, UKAID, USAID, European Union and ADB).



timing—long-term for the first part and intermediate for the second—and the presence of relevant interventions (or lack thereof) in BRACE.<sup>40</sup>

As for the first part, what is the negative impact observed in Balochistan with which BRACE is concerned? Some of it is due to the factors mentioned here (economic deprivation, poverty and social inequality, environmental degradation and climate change). Another set of negative impacts is mentioned in the MIP (conflict, political instability, radicalisation and violence). Additional elements of negative impact are mentioned in the RSP proposals (description of the action) and discussed in the development literature. Thus, environmental stress and shocks, lack of investment and growth, lack of human capital (education, health, skills and productivity), enduring and grinding poverty, conflict, political instability, radicalisation, violence, vulnerability<sup>41</sup> and lack of trust in the state are among the negative impacts that BRACE might help reduce in the long term. Some of these, for which interventions are present in BRACE, can also be included in intermediate impact.

Without altering the overall objective, its intervention logic can be related to timing and the presence of interventions in BRACE and stated as a combination of:<sup>42</sup>

- intermediate impact: to empower communities for participating actively in identifying and implementing socio-economic development activities on a sustainable basis in partnership with local authorities [and reducing economic deprivation, poverty, inequality, social conflict, environmental degradation and vulnerability]<sup>43</sup>; and,
- long-term impact: to reduce pervasive negative trends such as lack of investment and growth, lack of human capital (education, health, skills and productivity), enduring poverty, conflict, political instability, radicalisation, violence, vulnerability and lack of trust in the state.

## 5.2. FROM OUTCOMES TO IMPACT

**IF** the intermediate impact is achieved, **THEN** the long-term impact will begin to emerge. **THIS IS BECAUSE** empowered communities that can identify and implement socio-economic development on their own and in cooperation with the state can reduce pervasive negative trends.

**IF** SO/Outcome 1 and SO/Outcome 2 are achieved, **THEN** the intermediate impact will materialise. **THIS IS BECAUSE** (as illustrated in Figure 4):

- the programme provides the means to empower communities to identify and implement socio-economic development and reduce economic deprivation, poverty, inequality, social conflict, environmental degradation and vulnerability; and the voice and capability to influence local authorities (SO/Outcome 1); and,
- local authorities would have the capacity to involve communities in local public sector planning, financing and implementation (SO/Outcome 2 and its contribution to SO/Outcome 1).

Critical Assumptions:

- The RSPs will empower communities to implement measures to reduce poverty, inequality, social conflict, environmental degradation and vulnerability, and to articulate their demands with local authorities.

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<sup>40</sup> This observation is reinforced by the fact that a key part of the overall objective (empowered communities implementing socio-economic development with local authorities) overlaps with SO/Outcome 1.

<sup>41</sup> Resilience, which is mentioned in the second part of the overall objective, is basically the capacity to cope with or adapt to vulnerability. See Patrick Guillaumont, "Vulnerability and Resilience: A Conceptual Framework Applied to Three Asian Countries—Bhutan, Maldives, and Nepal," Asian Development Bank, South Asia Working Paper Series No. 53, October 2017, p. 8 (<https://www.adb.org/sites/default/files/publication/372936/swp-53.pdf>). The literature on countering violent extremism tends to the view that "Resilience is the ability of a community, people, state, or region to adopt new processes, norms, and strategies for conducting their lives and new societal relationships in response to a violent shock or uptick in aggression and brutality in order to prevent, mitigate, or recover from violence," as elaborated in Lauren Van Metre, "Community Resilience to Violent Extremism in Kenya," United Institute of Peace, Peaceworks No. 122, 2016 (<https://www.usip.org/publications/2016/10/community-resilience-violent-extremism-kenya>).

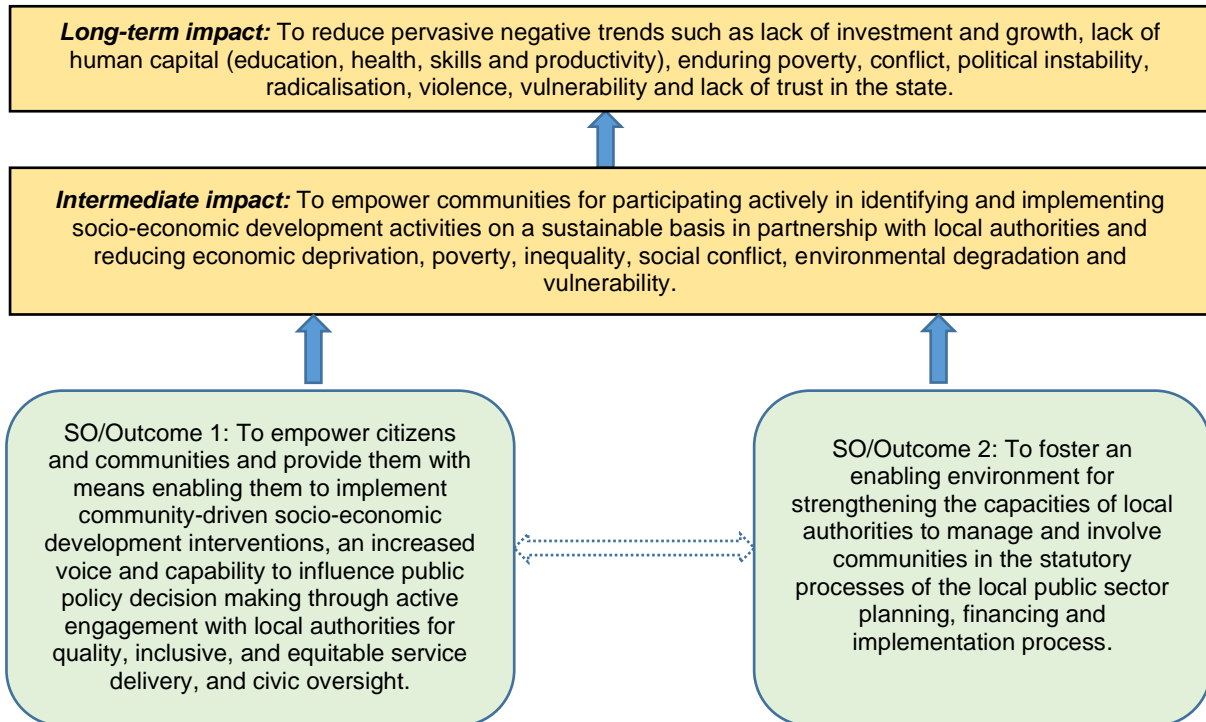
<sup>42</sup> It is understood that the past tense (e.g., "reduced", "empowered" and "strengthened") is preferred by DG NEAR in formulating impact statements and the infinitive (e.g., "to reduce", "to empower" and "to strengthen") in DEVCO.

<sup>43</sup> The words in brackets are associated with interventions available in BRACE.

- The TA's efforts will foster an enabling environment for local authorities to involve communities in local public sector planning, financing and implementation.
- GoB planning, financial and implementation rules and regulations would allow local authorities to involve communities in local public sector planning, financing and implementation.
- The effects of the programme's poverty reduction interventions will outweigh the negative effects of the macro-economic stabilisation programme and the COVID-19 pandemic.
- Poverty reduction among programme beneficiaries that receive income-generating interventions from BRACE would lead to poverty reduction at the provincial level.<sup>44</sup>

Note: dotted arrow represents direct as well as indirect linkages between effects within the same level and/or between levels (as in Figure 3).

Figure 4: Intervention logic from outcomes to impact



### 5.3. FROM OUTPUTS TO OUTCOMES (SPECIFIC OBJECTIVE/OUTCOME 1)

IF ERs/Outputs 1 to 5 are achieved, THEN SO/Outcome 1 will be realised. THIS IS BECAUSE (as shown in Figure 5)<sup>45</sup>:

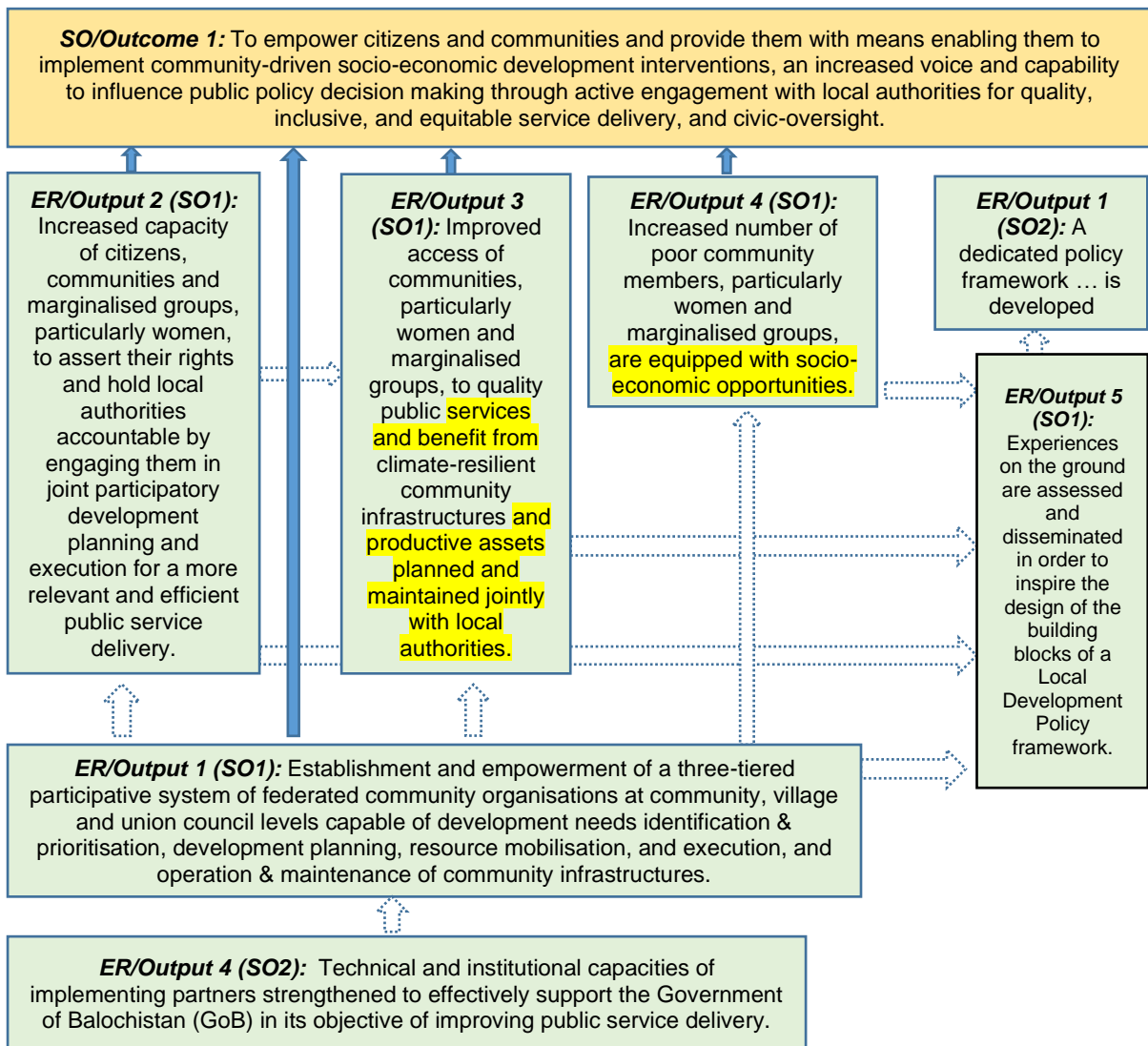
- Community organisations, village organisations and local support organisations can perform their planning, implementation and operation and maintenance roles satisfactorily with the assistance of the RSPs. This contributes directly to the outcome as well as to three other outputs.
- Capacitated communities and marginalised groups, particularly women and PWDs, can assert their rights and engage with local authorities in joint participatory development planning and execution for a more relevant and efficient public service delivery. This contributes directly to the outcome as well as to ER/Output 3.

<sup>44</sup> The programme's aspiration, as reflected in the impact indicators in the logframe, is to reduce poverty levels in Balochistan, not only in the programme districts (with poverty being defined according to Government of Pakistan). BRACE identified 190,091 households in the poor category (poverty score card band 0-23) in its 2017-18 survey in the eight districts of the programme area. By the time it achieves its targets, BRACE would have facilitated household-focused income-generating interventions for a total of 44,680 (24 percent) of these households (as explained in the annexed context document, Section 3.6), or approximately 7-10 percent of poor households in the rural areas of Balochistan, without considering the higher incidence of poverty due to the COVID-19 pandemic and the ongoing macroeconomic stabilisation programme.

<sup>45</sup> The yellow highlighting in the figure is explained in the footnotes accompanying Table 1.

- Organised communities, including women, PWDs and other marginalised groups, can articulate their demands for quality public services, climate-resilient community infrastructure and productive assets planned and maintained jointly with local authorities. This contributes directly to the outcome.
- BRACE interventions provide socio-economic/income-generation opportunities to increased numbers of poor community members, particularly women, PWDs and other marginalised groups.
- The TA, through ER/Output 4 of SO/Outcome 2, will enable implementing partners to adopt a standard and harmonised approach leading to a community-led development policy framework and SWAp.
- Four of the ERs/outputs contribute to relevant experiences on the ground, which can be assessed and disseminated to inspire the design of the required policy framework, thereby contributing to ER/Output 1 of SO2.

**Figure 5: Intervention logic from outputs to outcomes (specific objective/outcome 1)**



**Critical Assumptions:**

SO/Outcome 1 overlaps with the overall objective in two important ways as both call for community empowerment for socio-economic development, and partnership or engagement with local authorities. Therefore, three of the assumptions in the preceding section also apply here, namely:

- The RSPs will empower communities to implement measures to reduce poverty, inequality, social conflict, environmental degradation and vulnerability, and to articulate their demands with local authorities.

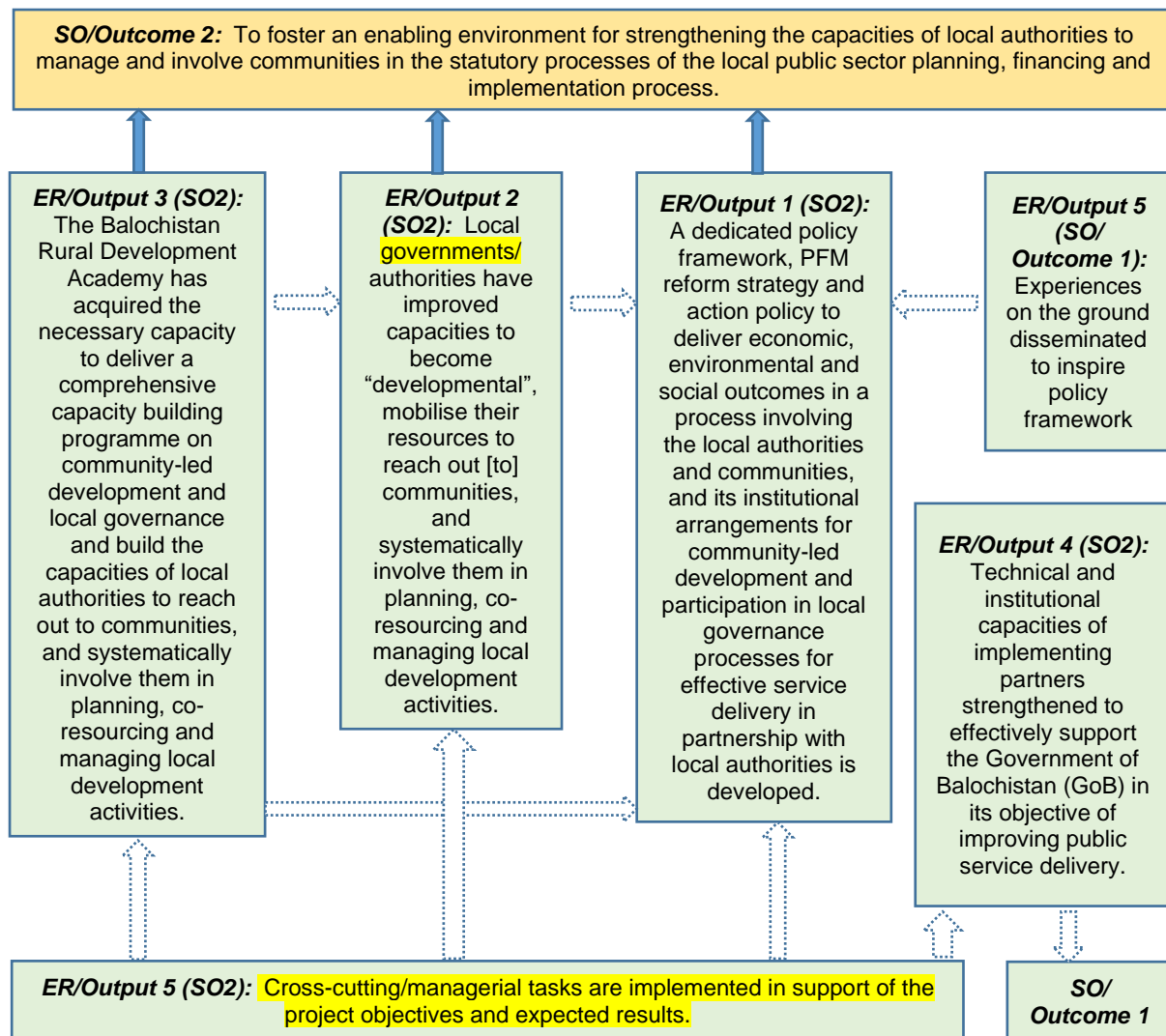
- Through SO/Outcome 2, the TA's efforts will foster an enabling environment for local authorities to involve communities in local public sector planning, financing and implementation.
- Through SO/Outcome 2, GoB planning, financial and implementation rules and regulations would allow local authorities to involve communities in local public sector planning, financing and implementation.

#### 5.4. FROM OUTPUTS TO OUTCOMES (SPECIFIC OBJECTIVE/OUTCOME 2)

IF ERs/Outputs 1 to 5 are achieved, THEN SO/Outcome 2 will be realised. THIS IS BECAUSE (illustrated in Figure 6):

- GoB has developed and initiated a PFM reform strategy, and a policy framework and implementation modalities can be developed for CLLD.<sup>46</sup>
- Local authorities can be capacitated to reach out to communities and involve them systematically in planning, co-resourcing and managing at least some government-funded local development activities.
- The Balochistan Rural Development Academy will acquire the necessary capacity to capacitate local authorities as required.
- The implementing partners and the GoB can take the steps required to strengthen their capacities.
- The TA can implement the required cross-cutting/managerial tasks in support of project objectives and expected results.

Figure 6: Intervention logic from outputs to outcomes (specific objective/outcome 2)



<sup>46</sup> However, the expectation reflected in the logframe is that a policy framework for community-led local development will be under implementation by June 2022.

Critical assumptions:

- The TA will identify and develop options for the required GoB policy framework and its implementation that are admissible under prevailing laws and government rules for inter-departmental area-based initiatives for rural development.
- The RSPs will contribute experiences on the ground with relevant insights that can be adopted for scaling up through the required policy framework and its implementation (contribution of ER/Output 5 in SO/Outcome 1).
- The GoB will adopt workable options for the required policy framework and implementation arrangements for a community-led multi-sector local development approach, that recognise that: (a) the RSPs are independent of the government but work in partnership with it; and, (b) the RSPs and government departments require flexibility in targets and approaches to respond to community institutions.

## **5.5. ACTIVITIES**

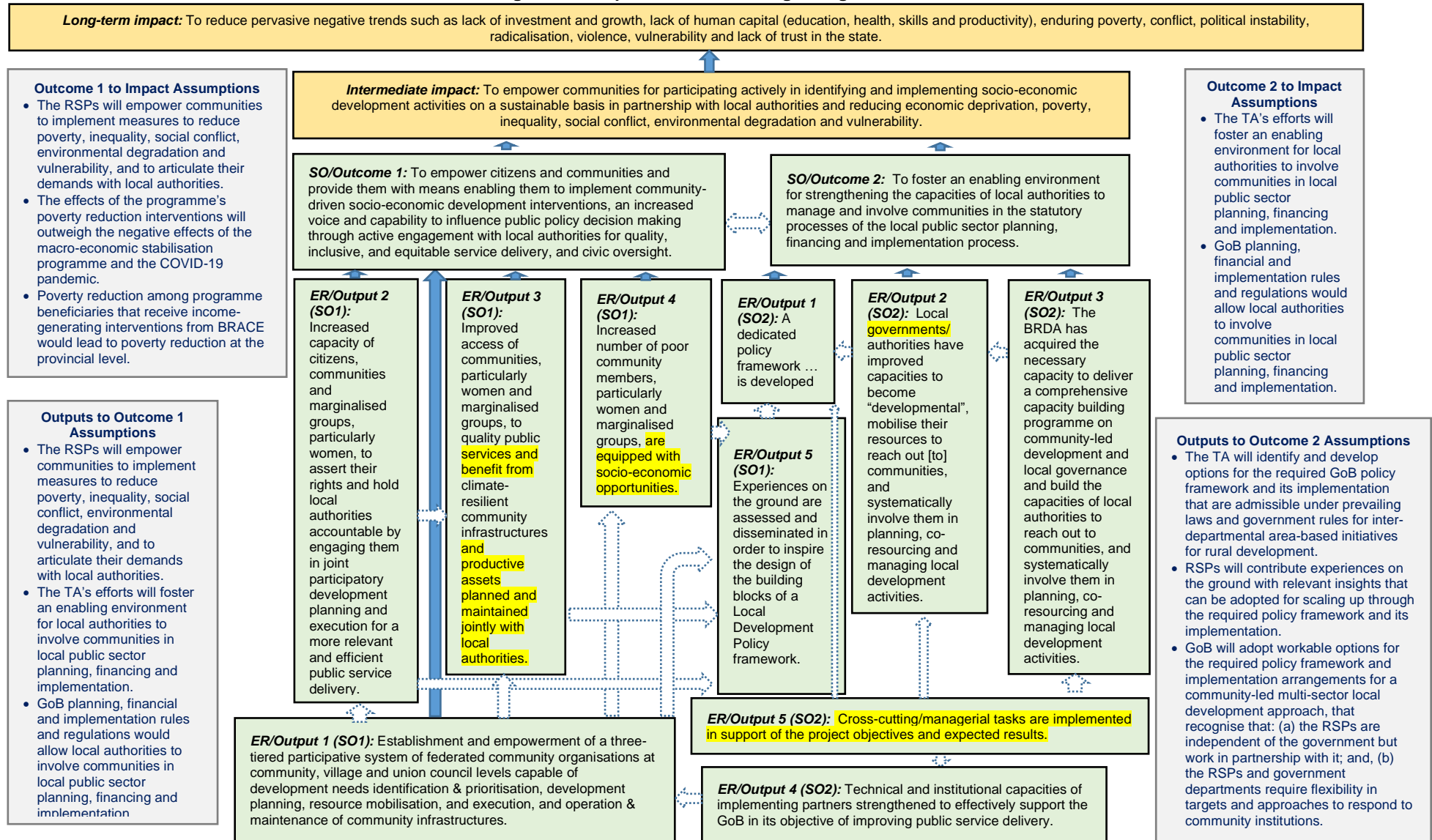
The consistency of programme activities with the logic connecting them in the AD to the respective ERs/outputs was discussed by the implementing partners with the external monitoring mission in February and September 2020 during the process of logframe revision. Activity-level indicators are included for each ER/output in the revised logframe reproduced in Annex 3. Activities may be reassessed during the ongoing mid-term review.

## **5.6. COMPLETE INTERVENTION LOGIC DIAGRAM**

The complete intervention logic is illustrated in Figure 7, to be read with the following notes:

- It follows Figure 3, the illustration taken from EU guidance (EC 2016, Chapter 8).
- It summarises the intervention logic described above, from outcomes (strategic objectives) to impact (overall objective) and from outputs (expected results) to outcomes. The critical assumptions in Figure 7 are reproduced from these sections.
- Three of the critical assumptions for SO/Outcome 1 to impact (overall objective) are reproduced as assumptions for outputs to SO/Outcome 1 because of the overlap (noted in Section 4.3) between SO1 and the overall objective.
- The yellow highlighting in Figure 7 is explained in the footnotes of Table 1.
- The opportunity framework is described in detail in Chapter 4 and cannot be reproduced in Figure 7.
- Dotted arrows represent direct as well as indirect linkages between effects within the same level and/or between levels, as illustrated in and explained with reference to Figure 3.

**Figure 7: Complete intervention logic diagram**



## Appendix 1: Intervention Logic's Spheres of Control, Direct and Indirect Influence

Source: European Commission Directorate-General Neighbourhood and Enlargement Negotiations, *Guidelines on Linking Planning/ programming, Monitoring and Evaluation*, July 2016, pp. 36-37 ([https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf)).

### Sphere of control:

Inputs, activities and outputs within the intervention's own sphere of control.

### Sphere of Direct influence:

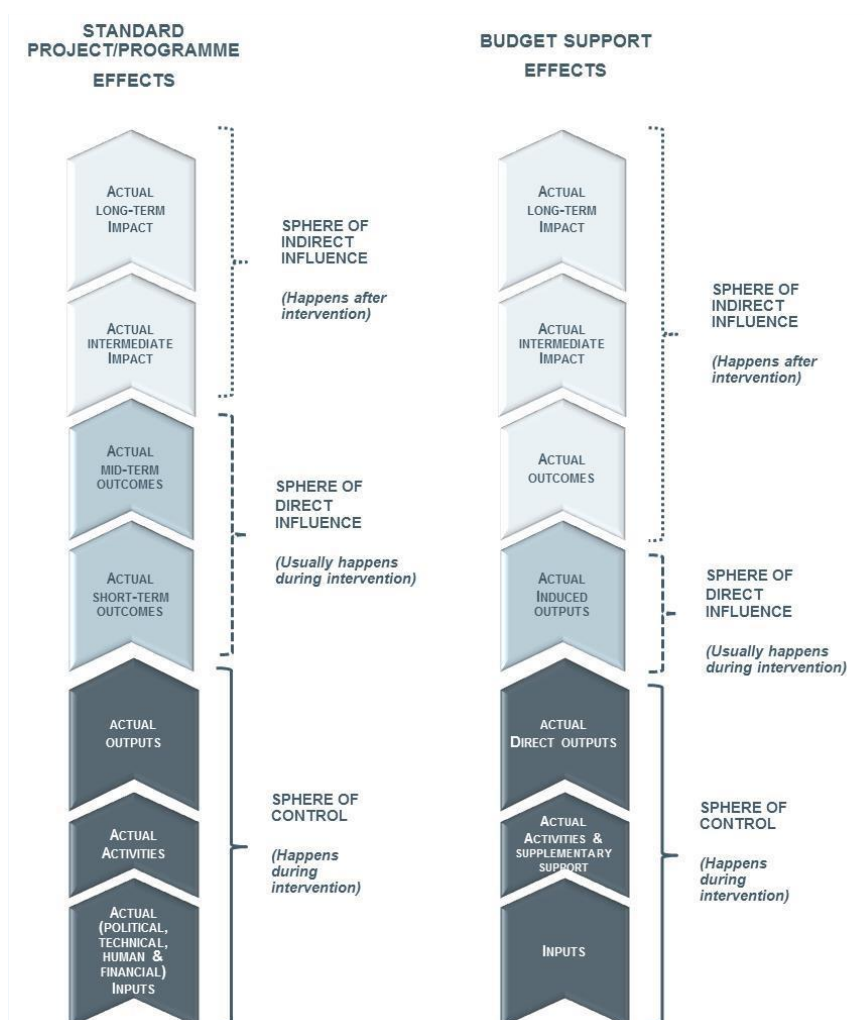
Short- and medium-term outcomes in terms of the engagement, take-up (use), and actions of organisations, institutions, communities and individuals who are directly 'in touch' with the intervention.

In the case of Budget support, the sphere of direct influence only covers the induced outputs.

### Sphere of Indirect influence:

The intermediate and long-term desired impacts that happen in the political, social, economic and environmental global context and that require the involvement of addressees that were not directly 'in touch' with the intervention.

In the case of Budget support, the sphere of indirect influence covers the outcomes and the intermediate and long-term desired impacts.



## Annex 1: Terms of Reference of the Theory of Change Assignment

This memo presents the ToR of the BRACE ToC Assignment, under the following headings

- 1) Background
  - 2) Objective of the ToC Assignment
  - 3) Approach of the ToC Assignment
  - 4) BRACE ToC Key-Features
  - 5) BRACE ToC Working Group
  - 6) ToR ToC Consultant (optional)
  - 7) BRACE ToC WG Work plan
- Annex 1: CV Dr Tariq Husain  
Annex 2: APROVAL FROM EUD FOR BRACE TA TOC ASSIGNMENT  
Annex 3: CD-LD-LG-RD-JDDC-PR DEFINITIONS  
Annex 4: BACKGROUND DOCUMENTATION

### 1. Background

A Theory of Change<sup>47</sup> (ToC) is normally designed and agreed prior to the start of a project or programme. The BRACE MTR Consultant reported in their DRAFT Inception Report, that the BRACE Programme does not have a “Theory of Change” (ToC) that covers both BRACE Specific Objectives. The MTR Report is not yet accepted (August 2020) by the EU Delegation as it needed revisions, and once the MTR Report is finalized, the MTR Report will be shared with the BRACE IPs.

Weiss, (1995) popularized the term “Theory of Change” as a way to describe the set of **assumptions** that explain both the mini-steps that lead to the **long-term goal** and the connections between **program activities and outcomes** that occur at each step of the way. She challenged designers of complex community-based initiatives to be specific about the theories of change guiding their work and suggested that doing so would **improve their overall evaluation plans** and would strengthen their ability to **claim credit for outcomes** that were predicted in their theory. She called for the use of an approach that at first blush seems like common sense: lay out the **sequence of outcomes** that are expected to occur as the result of an intervention, and plan an evaluation strategy around **tracking whether these expected outcomes are actually produced**

The BRACE Website<sup>48</sup> presents a basic Intervention Logic, showing in a simple

flow chart, how RSP Community Mobilization and Community Empowerment is to significantly contribute to Poverty Alleviation in the 9 BRACE target districts in Rural Balochistan. (BRACE Overall Objective).

### 2. Objective of the ToC Assignment

The EUD requires that the Intervention logic flow-chart in the BRACE WEB Site, is further developed into a well worked out BRACE ToC. The BRACE ToC is to be developed and adopted by relevant stakeholders in October 2020. The BRACE ToC is (a) to be presented to the MTR in October 2020, and the ToC is (b) to be used to structure the Policy Dialogue between the GoB, the BRACE IPs and the EUD. The Policy Dialogue and the ToC are to cover (1) the institutionalization of sustainable Community Institution and (2) the establishment of an enabling GoB CD-LG&RD<sup>49</sup> Policy and Fiscal Framework and GoB Sector Plan (The BRACE Specific Objectives)

### 3. Approach of the ToC Assignment

<sup>47</sup> See: <http://www.theoryofchange.org/what-is-theory-of-change/how-does-theory-of-change-work/> and [https://assets.publishing.service.gov.uk/media/57a08a66ed915d622c000703/Appendix\\_3\\_ToC\\_Examples.pdf](https://assets.publishing.service.gov.uk/media/57a08a66ed915d622c000703/Appendix_3_ToC_Examples.pdf)

<sup>48</sup> <http://brace.org.pk/>

<sup>49</sup> GoB CD-LG&RD: Government of Balochistan Community Driven Local Government and Rural Development



The BRACE Programme (20177 – 2022) is mid-way, and an updated BRACE PROGRAMME ToC<sup>50</sup> will have to be worked out on the basis of (a) the available Action Documents/ToR, (b) what has been achieved on ground, and (c) the most recent updated (February 20920) Consolidated Logframe<sup>51</sup> (LF).

The BRACE ToC is to validate if the sequencing in the BRACE LF, of the intervention steps and outcomes, is still valid. Following the COVID-19 Pandemic, an update is required, i.e. to re-validate if the CONTEXT and the ASSUMPTIONS of the LF still apply inn a (post-)COVID environment, and how this may affect a well worked out BRACE ToC model.

#### 4. BRACE ToC

The BRACE ToC will consist of **(a) a diagram/chart** that transparently shows the dynamics and linkages of the key elements of the BRACE ToC Model, and **(b) a narrative**; that clarifies and elaborates the (updated) Context, and an updated assessment of the validity of the required Assumptions, a set of clear BRACE Output, Outcome and BRACE Impact Indicators specifications, and the system required to evaluate/monitor outcomes achievement.

The BRACE Programme ToC has two interlinked parts, the Specific Objectives of the BRACE Programme, that explain.

1. **HOW Community Mobilization/Empowerment processes work**, including assessments of sustainability and institutionalization of key CM/CE deliverables, i.e. the RSP--facilitated Community Institutions (CI)
  - (BRACE Specific Objective SO 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. **AND HOW the overarching GoB CD-LG&RD Policy and Fiscal Framework provides a sustainable context**, and could form the basis for DP Budget Support for the CD-LG&RD Sector of Balochistan.
  - (BRACE Specific Objective SO2) 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.

**AND HOW THESE 2 PARTS ARE LINKED** <sup>52</sup> and are to contribute significantly to the long-term overall goal of sustainable poverty reduction.

#### 5. BRACE ToC Working Group

BRACE TA is to lead and mobilize the BRACE IPs and form a BRACE ToC Working Group, that is to develop and adopt a well worked out BRACE ToC. External ToC expertise will be mobilized. ToC Working Group (WG) members are: representatives from the BRACE IPs, representative of the GoB LGRDD, and other relevant stakeholders may be co-opted, and a designer/Desktop Publisher, and an external ToC Expert who will moderate and lead group discussions. Other (different) Key stakeholders to be kept in the loop are the EUD and the CEO/GM of the RSPs. The ToC Expert will decide on the best way to conduct the ToC WG meetings.

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<sup>50</sup> A description of the steps to be followed to develop a ToC can be found in Chapter 8: ([https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-progrming-vol-1-v-0.4.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-progrming-vol-1-v-0.4.pdf))

<sup>51</sup> See: <http://www.tools4dev.org/resources/theory-of-change-vs-logical-framework-whats-the-difference-in-practice/> and <https://www.annmurraybrown.com/single-post/2016/03/20/Theory-of-Change-vsThe-Logic-Model-Never-Be-Confused-Again>

<sup>52</sup> **Addressing the linkage question:** Is the BRACE CLLD Approach most suitable and justified for Balochistan? **Does the conventional local development approach**, of community empowerment, social mobilisation, and its broader more fluid targets of strengthened local leadership, a local culture of democratic and social accountability, strengthened resilience, social cohesion, voice, state-citizen trust, and bottom-up participative development planning and execution driven by the subsidiarity principle, **also require a more deliberate designed overarching structure**, i.e. the CD-LG&RD Policy and Fiscal Framework/Sector Plan, **to make both parts truly sustainable and effective for Rural Poverty Reduction.**

**Table 2: Theory of change working group**

#	Name	Designation	Org.	Email
1	Khurram Shahzad	Specialist Monitoring & Evaluation (SME)	RSPN	<a href="mailto:khurram.shahzad@rspn.org.pk">khurram.shahzad@rspn.org.pk</a>
2	Ms Fehmida Hassan	BRACE Programme Manager (BPM)	RSPN	<a href="mailto:fehmidahassan@rspn.org.pk">fehmidahassan@rspn.org.pk</a>
3	Muhammad Tahir Waqar	Sr Programme Mgr. MER (PMMER)	NRSP	<a href="mailto:muhammad.waqar@nrsp.org.pk">muhammad.waqar@nrsp.org.pk</a>
4	Gul Afroz	KECH Programme Manager BRACE (PM)	NRSP	<a href="mailto:gul.afroz@nrsp.org.pk">gul.afroz@nrsp.org.pk</a>
5	Dr Shahnawaz Khan	Team Leader BRACE-BRSP	BRSP	<a href="mailto:shahnawaz@brsp.org.pk">shahnawaz@brsp.org.pk</a>
6	Ibrahim Allvi	Manager PMER	BRSP	<a href="mailto:Alvi.ibrahim@brsp.org.pk">Alvi.ibrahim@brsp.org.pk</a>
7	Peter Portier	Team Leader (TL) (Secretariat)	TA	<a href="mailto:peter.portier@brdcepta.pk">peter.portier@brdcepta.pk</a>
8	Mark Osiche	Deputy Team leader (DTL)	TA	<a href="mailto:mark.osiche@brdcepta.pk">mark.osiche@brdcepta.pk</a>
9	G. M. Marri	Senior Technical Adviser (STA)	TA	<a href="mailto:marriquetta9@yahoo.com">marriquetta9@yahoo.com</a>
10	Nazar Khetran	Director, District Coordinators (DDC)	TA	<a href="mailto:nazarkhetran@yahoo.com">nazarkhetran@yahoo.com</a>
11	Qaisar Jamali	Provincial Coordinator (PC)	TA	<a href="mailto:qaisar.khan.jamali@gmail.com">qaisar.khan.jamali@gmail.com</a>
12	Bilal Ahmed	IT/MIS Expert (Virtual Meetings facilitation)	TA	<a href="mailto:bilal69ahmed@gmail.com">bilal69ahmed@gmail.com</a>
13	Mansoor Abid	Desktop publisher/Designer (DTP)	RSPN	<a href="mailto:mansoor.abid@nrsp.org.pk">mansoor.abid@nrsp.org.pk</a>
14	Dr Tariq Husain	ToC Expert (ToC)	ToC.	<a href="mailto:thusain@edcpk.com">thusain@edcpk.com</a>
15	Ali Dastgeer	M&E Expert – Observer	Obs	<a href="mailto:dast17@hotmail.com">dast17@hotmail.com</a>
16	Gul Jan	DS LGRDD and BRACE Focal Point GoB	LG-FP	<a href="mailto:gulmohamad@gmail.com">gulmohamad@gmail.com</a>
17	Ahmed Raza Khan	Secretary LGRR/Chair SCCCD-LG&RD	LG-SCC	

**Other Stakeholders kept in the loop of the ToC WG proceedings:**

<a href="mailto:holger.hinterthuer@dai.com">holger.hinterthuer@dai.com</a>	<a href="mailto:khaleel.tetlay@rspn.org.pk">khaleel.tetlay@rspn.org.pk</a>	<a href="mailto:nadirgul@brsp.org.pk">nadirgul@brsp.org.pk</a>
<a href="mailto:bilal69ahmed@gmail.com">bilal69ahmed@gmail.com</a>	<a href="mailto:shandana@rspn.org.pk">shandana@rspn.org.pk</a>	<a href="mailto:shahnawaz@brsp.org.pk">shahnawaz@brsp.org.pk</a>
<a href="mailto:Martin.Zlatev@dai.com">Martin.Zlatev@dai.com</a>	<a href="mailto:gul.afroz@nrsp.org.pk">gul.afroz@nrsp.org.pk</a>	<a href="mailto:aqhaiavad-gm@nrsp.org.pk">aqhaiavad-gm@nrsp.org.pk</a>
<a href="mailto:mark.osiche@brdcepta.pk">mark.osiche@brdcepta.pk</a>		<a href="mailto:Arshad.RASHID@eeas.europa.eu">Arshad.RASHID@eeas.europa.eu</a>

**6. ToR ToC Expert (no additional ToR required)**

- Qualifications and Skills:
  - University degree (preferably Masters) in economics, public policy or related field in social sciences;
  - Knowledge of methodologies, assessment tools/ systems, quantitative and qualitative evaluation methods
  - Competence in using M&E system, and reporting using sectoral data, e.g. education, health, agriculture.
  - Excellent planning, monitoring, evaluation, proven English and excellent technical report writing skills.
  - Excellent communication skills and ability to motivate and communicate cross-culturally
  - Ability to quickly establish and maintain effective communication with senior GoB and RSP counterparts.
- General & Specific Experience
  - 10 years' experience in the field of development, including substantive experience in M&E
  - experience of working with RSP/NGOs, international donor projects, or public service organizations on social sector development and/or local government issues;
  - knowledge and understanding of government departments, their budget procedures, rules and regulations;
- Base of Operations:
  - Islamabad and Quetta. Travel cost and EU-DSA will be provided when working outside Home-base

- As much as possible face-to-face meetings to be organized. To keep the momentum virtual/ZOOM meetings may also be held, facilitated by the TA IT/MIS Expert. Workshop Venue to be decided.
- Start/End Assignment
  - Start 07/09/20, and expected end date 20/10/20
- ToC Assignment Tasks:
  - Assess current status BRACE Programme and the BRACE Programme LF
  - mobilize and prepare the ToC WG Members
  - lead/moderate the (Virtual/Zoom) meetings of the ToC WG
  - report on the feed-back received from the WG members and other relevant stakeholders
  - integrate feed-back into a BRACE ToC Model/Approach
  - Guide the ToC Model Designer to visualize in a Diagram the BRACE ToC Approach
  - Report on ToC Assignment
- ToC Assignment Deliverables: (intermediate) Outputs
  - At start: ToC WG Meetings Schedule and Work Plan (coordinated with TA/TL and TA/IT-MIS)
  - Minutes, Feed-back report of ToC WG Meetings
  - Reading Materials/Hand-outs provided to the ToC WG Members
  - ToC Model: Narrative and Diagram: 1<sup>st</sup>, 2<sup>nd</sup> draft
  - Before 10/10/20: ToC Narrative and Diagram: final 3<sup>rd</sup> draft to be provided to IPs/EUD for adoption.
  - Before 20/10.20: ToC Assignment Report, submitted to TA/TL
- ToC Assignment Contract:
  - Contract with BRACE TA, as SNKE, for 20 days, based on 3 days p/w
- ToC Expert: Dr Tariq Husain (CV attached)

## 7. BRACE ToC WG Work Plan

The BRACE ToC Work Plan aims to deliver a well worked out BRACE ToC by End-October, when the BRACE MTR Field Visit is due. A venue for the Workshops is to be decided. The ToC WG Workplan has the following clustered activities:

- Activities 1-7      **Preparation:** Configuring the ToC Working Group, mobilizing the WG Members, setting up (ZOOM) Meeting Protocols, timetable of 3 (ZOOM) meetings, set deadlines key milestones, formulate indicative-agendas with talking points of each (ZOOM) Meeting. The TA IT-MIS is to support the ToC Expert. The ToC expert will liaise directly with the EUD, to decide who and how (other) and Gob stakeholders are to be kept in the loop.
- Activities 8- 12      **Round 1:** consultations with TOC WG members. At the end of a (ZOOM) meeting 1, all Members should be clear on the concept and specifics of a ToC Model. Each ZOOM Meeting requires a set of hand-outs to be shared with the WG members (prior to the Meeting) to make sure concept and definitions are clear. The ZOOM Meetings are moderated by the ToC Expert (Dr Tariq). A Post ZOOM Meeting Feed-back report is prepared by the ToC Expert, with the first outline agreed with WG Members of a BRACE ToC Model: ToC Narrative Structure + Diagram Structure/Design
- Activities 13 - 12      **Round 2:** consultations with TOC WG members. In this ZOOM meeting 2, all Members will contribute to the BRACE ToC Model Outline. Prior to Meeting 2 a 1<sup>st</sup> draft ToC Model outline was shared with WG Members. The BRACE ToC Model: Narrative Structure and Diagram, will have been further worked out at the end of this meeting 2, to be captured in the Feed-back Report.
- Activities 18 - 21      **Round 3:** consultations with TOC WG members. In this ZOOM meeting 3, all WG Members will give their final inputs/feed-back on the BRACE ToC Model. Prior to Meeting 3 an updated draft ToC Model was shared with WG Members. A final draft

BRACE ToC: Narrative Structure and Diagram, will have be prepared and captured in the ZOOM Meeting 3 Feed-back Report.

Activities 22 – 24 **Closure:** Submission final Draft ToC Model (Narrative + Diagram), for adoption by RSPs/TA and the EUD/DA (who has been kept in the loop of results of Round 1/2/3 meetings) and Submission of ToC Assignment Report. A (1 or 2 day) workshop, either in Quetta or Islamabad, will be held with a broader stakeholders group to “present and adopt” the BRACE ToC

#	Activity / Milestone / Output	Lead	Deadline	September				October					
				1	2	3	4	1	2	3	4		
1	Identification and Mobilization BRACE ToC WG Members	TA/TL + ToC											
2	ToR BRACE ToC Working Group: Formulation/Finalization	TA/TL + ToC											
3	Identification/Mobilisation Designer	TA/TL+ NRSP											
4	Identification/Contracting/Mobilization Ext ToC Expert	TA/TL											
5	Activation Face-to-face/Virtual-ZOOM Meetings + Protocols	ToC + IT/MIS											
6	Finalization Face-to-Face/WG ZOOM Meetings Schedule	TA/TL + ToC											
7	Preparation Meetings: 1 <sup>st</sup> outline Proposed Agendas of 3 Meetings	ToC											
8	1 <sup>st</sup> (ZOOM) Meeting Hand-out: Explanation ToC Components	ToC											
9	Conduct 1 <sup>st</sup> (ZOOM) Meeting: ToC Model Clear to All	ToC + IT-MIS											
10	1 <sup>st</sup> (ZOOM_ Meeting Feed-back Report	ToC											
11	1 <sup>st</sup> Draft BRACE ToC Model – Narrative	ToC											
12	1st Draft BRACE ToC - Flowchart/Diagram	ToC + DTP											
13	2nd (ZOOM) Meeting Hand-out: Fill out ToC Components	ToC											
14	Conduct 2 <sup>nd</sup> (ZOOM) Meeting: ToC Components Specified	ToC +IT -MIS											
15	2 <sup>nd</sup> (ZOOM) Feed-back Report	ToC											
16	2 <sup>nd</sup> Draft BRACE ToC Model – Narrative	ToC											
17	2 <sup>nd</sup> Draft BRACE ToC - Flowchart/Diagram	ToC DTP											
18	3rd (ZOOM) Meeting Hand-out: To Finalize Draft ToC	ToC											
14	Conduct 3rd (ZOOM) Meeting: Final Feed-back on ToC Model	ToC +IT -MIS											
19	3 <sup>rd</sup> (ZOOM) Meeting Feed-back Report	ToC											
20	3 <sup>rd</sup> /Final Draft BRACE ToC Model – Narrative	ToC											
21	3 <sup>rd</sup> /Final Draft BRACE ToC - Flowchart/Diagram	ToC+ DTP											

#	Activity / Milestone / Output	Lead	Deadline	September				October				
				1	2	3	4	1	2	3	4	
22	Preparation Final Draft ToC for Submission to EUD and MTR	ToC										
23	(ZOOM) Meeting with EUD/DA + RSP Stakeholders on Final ToC	ToC +TA/TL										
24	(ZOOM) Endorsement Meeting GoB Stakeholders on BRACE ToC	ToC/ GoB										
25	Preparation ToC Assignment Report/ Submission to TA/TL	ToC +TA/TL										

### APPROVAL FROM EUD FOR BRACE TA ToC ASSIGNMENT

**From:** DIGIT-NOREPLYARES@ec.europa.eu <DIGIT-NOREPLYARES@ec.europa.eu>

**Sent:** 06 September 2020 15:35

**To:** peter.portier@brdcepta.pk

**Cc:** Holger\_Hinterthuer@dai.com; Jelena Josic <Jelena\_Josic@dai.com>; Mark Osiche <mark.osiche@brdcepta.pk>; Martin Zlatev <Martin\_Zlatev@dai.com>; RIAZ Nayyar (DEL-PAKISTAN) <nayyar.riaz@ec.europa.eu>; RIGLER Vivien (DEL-PAKISTAN) <vivien.rigler@ec.europa.eu>

**Subject:** Ares(2020)4629566 - BRACE TA Service Contract No 386772 - BRACE Theory of Change - Approval of the NKE

[Ares\(2020\)4629566 - BRACE TA Service Contract No 386772 - BRACE Theory of Change - Approval of the NKE](#)

*Sent by RASHID Arshad (DEL-PAKISTAN) <arshad.rashid@ec.europa.eu>. All responses have to be sent to this email address.*

*Envoyé par RASHID Arshad (DEL-PAKISTAN) <arshad.rashid@ec.europa.eu>. Toutes les réponses doivent être effectuées à cette adresse électronique.*

Dear Peter,

Further to our ongoing dialogue on a Theory of Change for BRACE, thank you for submission of the revised ToRs for the assignment and the CV of the proposed non-Key Expert to moderate the entire exercise and to define an agreed upon Theory of Change for BRACE.

I have reviewed the ToRs for the ToC Workgroup and for the non-Key Expert and the workplan, and hereby convey our approval for the subject engagement subject to the provisions of the terms and conditions of the TA Service Contract No 386-772.

Looking forward to a productive and useful dialogue and outcomes.

With kind regards.

Arshad

## Annex 2: Stakeholder Engagement and Reference Documents

### Stakeholder Engagement

The consultant addressed group email messages to all working group members and stakeholder representatives listed below (a total of 22 individuals, including three overseas representatives of the TA Team). These messages invited them to contribute inputs and feedback:

- for the context document through email messages sent on 15 September, 25 September, 2 October, 19 October and 26 October; and,
- for the intervention logic document through emails sent on 24 October and 27 October.

The consultant also engaged 19 individuals for discussion through a variety of other means and received inputs from all 19 of them as shown in the following table.

**Table 3: Engagement with stakeholders during the assignment**

Name	Designation	Organisation	Provided inputs	Mode of Interaction					
				Working Group Emails	Small-group Emails	Bilateral Emails	Small-group Zoom Meetings	Bilateral Phone Calls	In-person Meetings
<b>Working Group Members</b>									
Khurram Shahzad	Specialist, Monitoring and Evaluation	RSPN	✓	✓	✓	✓		✓	
Fehmida Hassan (Ms)	BRACE Programme Manager	RSPN	✓	✓	✓			✓	
Muhammad Tahir Waqar	Senior Programme Manager Monitoring and Evaluation	NRSP	✓	✓	✓			✓	
Gul Afroz	Kech Programme Manager, BRACE	NRSP	✓	✓	✓				
Shahnawaz Khan	Team Leader BRACE	BRSP	✓	✓	✓	✓		✓	
Ibrahim Alvi	Manager, Monitoring and Evaluation	BRSP	✓	✓	✓				
Peter Portier	Team Leader	TA	✓	✓	✓	✓	✓	✓	
Mark Osiche	Deputy Team leader	TA	✓	✓	✓		✓	✓	
G. M. Marri	Senior Technical Adviser	TA	✓	✓	✓				
Nazar Khetran	Director, District Coordinators	TA	✓	✓	✓	✓		✓	
Qaisar Jamali	Provincial Coordinator	TA	✓	✓	✓				
Ali Dastgeer	M&E Expert (Observer)	Obs.		✓					
Gul Jan	Deputy Secretary, LG&RDD/ BRACE Focal Point, GoB	LG-FP	✓		✓	✓	✓	✓	
<b>Other Stakeholder Representatives</b>									
Arshad Rashid	Development Adviser	EUD	✓	✓	✓	✓		✓	✓
Shandana Khan (Ms)	Chief Executive Officer	RSPN	✓	✓	✓	✓	✓	✓	
Khaleel Tetlay	Chief Operating Officer	RSPN	✓	✓	✓		✓		
Nadir Gul	Chief Executive Officer	BRSP	✓	✓	✓		✓		
Rashid Bajwa	Chief Executive Officer	NRSP	✓	✓			✓		
Agha Javad	General Manager	NRSP	✓	✓	✓				
Holger Hinterthuer	Project Director	DAI HD							
Martin Zlatev	Associate Project Manager	DAI HD							
Jelena Josic (Ms)	Project Management Support Services	DAI HD							

## **Reference Documents**

The consultant reviewed a large number of documents for the assignment and used 61 of them for preparing this document, including five EU and other technical references, five documents on EU policies and priorities, 15 project-related documents, 31 documents and references on the national and provincial context, and five other relevant references. These are listed below.

### EU and Other Technical References

European Commission (EC), *Guidelines on Linking Planning/ programming, Monitoring and Evaluation*, prepared by the Directorate-General Neighbourhood and Enlargement Negotiations (DG NEAR), July 2016

([https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf)).

EC, *Partnership Instrument Monitoring System (PIMS)—Guidelines*, v.1.2, September 2019, (<https://vdocuments.mx/download/introduction-web-view-guidance-document-guidance-document-57-september-2019-iv-partnership>).

EC, Practical Guide 2020

([https://ec.europa.eu/europeaid/prag/?header\\_description=DEVCO+Prag+to+financial+and+contractual+procedures+applicable+to+external+actions+financed+from+the+general+budget+of+the+EU+and+from+the+11th+EDF&long=5069050&header\\_keywords=ePrag%2C+europa](https://ec.europa.eu/europeaid/prag/?header_description=DEVCO+Prag+to+financial+and+contractual+procedures+applicable+to+external+actions+financed+from+the+general+budget+of+the+EU+and+from+the+11th+EDF&long=5069050&header_keywords=ePrag%2C+europa)).

EC, ROM Handbook, DEVCO and DG NEAR, ver. 6.1, June 2020 (<https://europa.eu/capacity4dev/rom/documents/rom-handbook-v61-june-2020>).

OECD DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2010 (<https://www.oecd.org/dac/evaluation/2754804.pdf>).

### EU Policies and Priorities

EC, “The new European Consensus on Development—EU and Member States sign joint strategy to eradicate poverty” (<https://www.consilium.europa.eu/en/press/press-releases/2017/06/07/joint-strategy-european-consensus-development/#:~:text=The%20new%20European%20Consensus%20on%20Development%20constitutes%20a,framework%20for%20European%20development%20cooperation.&text=In%20doing%20so%2C%20it%20aligns,for%20the%20EU%20Global%20Strategy>).

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### Annex 3: BRACE Programme Approach

The intervention logic of BRACE is anchored in the overall thrust of EU cooperation with Pakistan in the rural development sector, as described in the European Union-Pakistan Multi-annual Indicative Programme (MIP) 2014-2020.<sup>53</sup>

The rural development programme aims to promote full integration of structurally poor and backward regions into the mainstream national development agenda of Pakistan by enhancing opportunities for economic growth and sustainable livelihoods in rural areas. The support aims at widening access to basic public services, reducing social and economic inequality between households and communities, improving resilience and increasing income generating activities, and contributes to peace building and consolidation of political stability in insurgency-affected areas.

The intervention logic section in the BRACE Action Document starts by relating BRACE to the focus and priorities mentioned above:

[T]his project will mobilise and capacitate rural communities for reinforced resilience, improved access to basic services, improved livelihoods and 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 [PFM] systems and will capacitate the concerned authorities for efficient management of its financial resources for improving social service delivery.

Related to EU's overall thrust in rural development, the overall objective of BRACE includes references to socio-economic development, poverty, inequality and resilience. The specific objectives of EU support for rural development (see Box 2) are also reflected in BRACE, with particular emphasis on community participation, administrative decentralisation for reinforcing local government performance, service delivery, and income generation. BRACE specific objectives include strengthening the capacity of local authorities; involving communities in the statutory processes of public sector planning, financing and implementation; community empowerment; community-driven development; active community engagement with local authorities; and equitable service delivery. References to peace building and political stability in insurgency-affected areas are included in the intervention logic in the AD.

#### Box 2: Objectives of EU support for rural development in Pakistan

- Reinforce the performance of local government structures through support for administrative decentralisation, improvement of investment in public infrastructure in rural areas and promotion of community participation in the delivery of basic services.
- Improve rural livelihoods by creating employment opportunities through facilitation of small and medium-sized enterprises development and investment in renewable energy systems.
- Augment the nutritional status of women and children in rural areas and households affected by severe under-nutrition.

Source: European Union-Pakistan Multi-annual Indicative Programme 2014-2020.

The MIP states that activities in the rural development sector “will preferably be implemented through a sector-based approach, if feasible through sector budget support in combination with capacity development”. The new (2017)

European Consensus on Development, which applies globally, states that the EU will “make use of different and complementary modalities (such as project aid, sector programme support, sector and general budget support) and modes of aid delivery (including twinning, technical assistance and capacity building), according to what will work best in each country based on the country’s capacities, needs and performance, taking into account specific situations.”<sup>54</sup>

The BRACE AD highlights the fact that the programme “has been designed ... 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.” Moreover, BRACE includes provisions for capacity building, technical assistance and twinning.

The new Consensus refers to the 2030 Agenda—the Sustainable Development Goals (SDGs)—as “a transformative political framework to eradicate poverty and achieve sustainable development globally”.

<sup>53</sup> Additional information on the MIP is provided in the annexed context document (Section 4.2).

<sup>54</sup> Additional information on the European Consensus on Development is provided in the annexed context document (Section 4.1).

It points out that the Agenda aims to leave no one behind and “strongly reaffirms that poverty eradication remains the primary objective of European development policy”. The Consensus calls for “a comprehensive and strategic approach for integrating the economic, social and environmental dimensions of sustainable development. It highlights as a matter of principle that the EU “values the participation of civil society organisations in development”.

The intervention logic of the Action Document is reflected in the global logframe annexed to the AD, which was revised during 2020 (see Table 4). The details of activities and how they are expected to contribute to outputs and outcomes in the AD are reproduced in Appendix 5 of Annex 4.

**Table 4: BRACE global logframe (revised March 2020, then September 2020 for strategic objective 2 expected results)**

	<b>Intervention logic</b>	<b>Indicators</b>	<b>Baseline (incl. reference year)</b>	<b>Targets (incl. reference year)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
<b>Overall objective: Impact</b>	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;	1) Poverty levels in Balochistan reduced as defined by the Government of Pakistan;	1) 2016: 71% population in Balochistan live in multi-dimensional poverty;	1) No Target;	1) Multidimensional Poverty in Pakistan;	
		2) % of target households in the target districts with improved incomes;	2) 2017: No baseline;	2) 2022: 25% households (73,678);	2) Baseline, mid-term, final, and ex-post evaluations;	
		3) % households, in the targeted districts graduating from lowest to upper poverty scorecard (PSC) band levels;	3) 2017: 56,073 households are in 0-11 PSC category;	3) 2022: 40% (21,238 households)	3) Comparison of pre and post intervention poverty score card data of the targeted populations;	
<b>Specific objective(s): Outcome(s)</b>	SO 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;	1.1) % of community institutions (men, women and mix) meeting the minimum scoring A or B on the Institutional Maturity Index;	1.1) 2017: No baseline;	1.1) 2022: 70%;	1.1) Annual IMI Survey (from year-III);	GoB remains supportive of the community driven local development initiatives;  GoB fully owns and leads PFM reform process;  Long-term GoB engagement continues for PFM reform;
		1.2) % of citizens satisfied with their involvement in local governance processes disaggregated by sex;	1.2) 2017: No baseline;	1.2.) 2022: 50%;	1.2) Baseline, mid-term, final, and ex-post evaluations;	
		1.3) Number of people who have increased assets or expanded businesses through IGGs;	1.3) 2017: Zero;	1.3) 2022: 13,182;	1.3) Programme monitoring reports;	
		1.4) Number of TVET beneficiaries gainfully employing their skills disaggregated by (a) sex, (b) TVET skill;	1.4) 2017: Zero;	1.4) 2022: 3,098;	1.4) Programme monitoring and internal TVET assessment reports;	
		1.5) Number of beneficiaries with productive use of CIF disaggregated by (a) sex, (b) type of business;	1.5) 2017: Zero;	1.5) 2022: 28,400;	1.5) Programme monitoring and internal CIF assessment reports;	

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		1.6) Number of women with improved reading and writing skills disaggregated by age;	1.6) 2017: Zero;	1.6) 2022: 10,720;	1.6) Programme monitoring and internal ALNS assessment reports;	
	SO 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;	2.1) Status of Policy Framework for community-led development in Balochistan;	2.1) 2017: No community-led development policy exists;	2.1) June 2022: Policy framework for community-led development implemented;	2.1) GoB notifications and budget documents;	
		2.2) Status of community driven district planning, financing, and implementation undertaken jointly between local authorities and the communities (a) for target districts, (b) for other districts of Balochistan province;	2.2) 2017: No mechanisms for joint community driven planning, financing and implementation;	2.2) March 2021: Model of CDLG covering district plans & Financial Regulations in the 9 BRACE districts  June 2022: All districts of Balochistan province;	2.2a) GoB CDLD Policy; 2.2b) Manual of the new CDLD planning model for the 9 targeted districts; 2.2c) Updated manual of the new CDLD planning model for the 33 districts in Balochistan province; 2.2d) Provincial and district Public Financial Management (PFM) and Public Expenditure and Financial Accountability (PEFA) reports;	GoB fully owns and leads PFM/PEFA and Financial Regulations (FR) processes/reforms and sustains the ongoing inter-governmental fiscal reforms process that supports more devolved budgets and other resource allocations to the GoB CDLG&RD sector;
Outputs/ Expected Results of SO1	ER 1 (SO1): 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;	1.1.1) Number of households in the targeted areas brought into organised fold through formation of COs-VOs-LSOs (three-tiered) echelons;	1.1.1) 2017: 33,913 HHS organised in BCDP;	1.1.1) 2022: 294,713 households;	1.1.1) Progress reports and monitoring data;	No security risks arise due to law and order situation;
		1.1.2) Number of Community Organisations (COs) formed;	1.1.2) 2017: 3,144 COs;	1.1.2) 2022: 19,129 COs;	1.1.2) Progress reports and monitoring data;	No difficulty of access to project area due to harsh geographic /climatic conditions;
		1.1.3) Number of Village Organisations (VOs) formed;	1.1.3) 2017: 783 VOs;	1.1.3) 2022: 3,085 VOs;	1.1.3) Progress reports and monitoring data;	
		1.1.4) Number of Local Support Organisations formed;	1.1.4) 2017: LSOs: 39;	1.1.4) 2022: 243 LSOs;	1.1.4) Progress reports and monitoring data;	No natural calamities occur;
		1.1.5) Number of Tehsil LSO Networks formed;	1.1.5) 2017: Zero;	1.1.5) 2022: 31 Tehsil LSOs Network;	1.1.5) Notification by LGRD department of GoB;	
		1.1.6) Number of District LSO Networks formed;	1.1.6) 2017: Zero;	1.1.5)6 <sup>55</sup> 2022: 9 District LSOs Network;	1.1.6) Notification by LGRD department of GoB;	
		1.1.7) Number of community infrastructure schemes having community-led O&M systems in place;	1.1.7) 2017: 306 CPIs of BCDP	1.1.7) 2021: 363 CPIs;	1.1.7) 7Progress reports, monitoring data and sectoral studies on CPIs,	
	ER 2 (SO1): Increased capacity of citizens, communities	1.2.1) Number of community institutions having developed VDPs and UCDPs, and	1.2.1) 2017: 583 VOs and 39 LSO developed VDPs and UCDPs respectively;	1.2.1) 2022: 3,085 VOs and 243 LSOs;	1.2.1) Progress reports and monitoring data;	Local government remains willing to

<sup>55</sup> This needs to be corrected in the original document.

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
	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;	resource mobilisation strategies, in partnership with local authorities disaggregated by type of institution (CO/WO, VO or LSO);				engage with these community institutions;
		1.2.2) % of women CIs involved in planning;	1.2.2) 2017: 0%;	1.2.2) 2022: 100% Women VOs;	1.2.2) Progress reports and monitoring data;	No natural calamities occur;
		1.2.3) Number of community-LA joint accountability forums held disaggregated by district;	1.2.3) 2017: Zero;	1.2.3) 2022: 24 joint community-LA accountability forums;	1.2.3) Event reports, meeting minutes and action plans;	GoB has adequate resources and technical capacity to support implementation of action;
		1.2.4) % of resources mobilised from sources other than the government for projects prioritised in development planning;	1.2.4) 2017: No baseline;	1.2.4) 10%;	1.2.4) Progress reports and monitoring data;	3- GoB official turnover is at reasonable levels;
	ER 3 (SO1): 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; <sup>56</sup>	1.3.1) No. of CPIs implemented by CIs;	1.3.1) 2017: 306 of CPIs built in BCDP;	1.3.1)2022: 363;	1.3.1) Progress reports and monitoring data;	No natural calamities occur;
		1.3.2) No. of HHs benefitting from using CPI schemes;	1.3.2) 2017: 27,800 HHs benefitted from CPIs built in BCDP;	1.3.2) 2022: 17,660 households;	1.3.2) Progress reports and monitoring data;	
		1.3.3) Number of CPIs compliant with environmental and climate resilience standards;	1.3.3) 2017: 306 CPIs compliant with environment & climate resilience standards in BCDP;	1.3.3) 2022: 363 CPIs;	1.3.3) Progress reports and monitoring data;	
	ER 4 (SO1): Increased number of poor community members, particularly women and marginalised groups, are equipped with socio-economic opportunities. <sup>57</sup>	1.4.1) No. of community members trained in TVET skills, disaggregated by sex;	1.4.1) 2017: Zero;	1.4.1) 2022: 3,098;	1.4.1) Progress reports and monitoring data;	No security risks arise due to law and order situation;
		1.4.2) No. of target poor household members received the IGG/Asset transfer for productivity and income enhancements, disaggregated by sex;	1.4.2) 2017: Zero;	1.4.2) 2022: 13,182;	1.4.2) Progress reports and monitoring data;	No natural calamities occur;
		1.4.3) No. of target poor households received the CIF support, disaggregated by sex;	1.4.3) 2017: Zero;	1.4.3) 2022: 28,400;	1.4.3) Progress reports and monitoring data;	

<sup>56</sup> The highlighted words are included in the AD logframe and have been left out of the revised logframe.

<sup>57</sup> This revision has replaced the words “engaged in income generating activities” found in the Action Document.

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		1.4.4) No. of community members provided with adult literacy and numeracy skills;	1.4.4) 2017: Zero;	1.4.4): 10,720;	1.4.4) Progress reports and monitoring data;	
		1.4.5) No. of PWDs provided with assistive devices disaggregated by sex and type of disabilities;	1.4.5) 2017: Zero;	1.4.5) 2022: 4,612;	1.4.5) Progress reports and monitoring data;	
	ER 5 (SO1): Experiences on the ground are assessed and disseminated in order to inspire the design of the building blocks of a Local Development Policy framework;	1.5.1) Number of assessments and research studies completed;	1.5.1) 2017: No baseline;	1.5.1) 2022: 4 thematic studies, 1 participatory action research, 4 annual IMI surveys;	1.5.1) IP progress reports and monitoring data;	GoB remains supportive of the community driven local development initiatives;
1.5.2) Number of dissemination events held;		1.5.2) 2017: No baseline;	1.5.2) 2022: 5 (1 event each year);	1.5.2) Event reports;		
1.5.3) Number of participants attending dissemination events disaggregated by sex;		1.5.3) 2017: No baseline;	1.5.3) 2022: 250;	1.5.3) Event reports;		
Outputs/ Expected Results of SO2 <sup>58</sup>	ER 1 (SO2): A dedicated policy framework, PFM reform strategy and action policy 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;	2.1.1) Legal Status of CDLG & RD Policy Framework;	2.1.1) 2017: No GoB CDLG&RD Policy Framework in place;	2.1.1) November-2020: GoB CDLG&RD Policy Framework Final Draft shared with GoB/EU senior stakeholders/ policy-makers;	2.1.1a) Reports of the situational analysis, key findings, recommendations and lessons learned from the national/provincial exposure visits e.g. Khyber Pakhtunkhwa and Sindh, etc. 2.1.1b) Draft GoB CDLG&RD Policy and Fiscal Framework Document;	The GoB is committed to developing and sustaining a conducive policy and legal framework, PFM/PEFA strategies and Local Government Act that are conducive for community-led development and citizen's participation in local governance;  The GoB promotes reform ownership by ensuring that all the relevant senior staff e.g. LGRDD and FD and P&DD remain in their current positions as long as possible and whenever they are transferred, they should be replaced
		2.1.2) Status of Local Government Act 2010 reforms;	2.1.2) 2017: LGA 2010 in place with no reforms;	2.1.2) November-2020: Reforms formulated and shared with government regarding community development, inclusiveness, and local government grants committee/provincial finance commission;	2.1.2a) Minutes of SDPC meetings; 2.1.2b) Minutes of meetings of SCC LG&RD and its 4 Working Groups; 2.1.2c) Minutes of meetings of SDPF;	
		2.1.3) Institutional Status of SPDC, SCC, SDPF at the provincial level and JDDCs in 9 targeted districts;	2.1.3) No SPDC, SDPF, JDDC committees existed;	2.1.3a) March-2018: Strategy Policy Dialogue Committee (SPDC) LG&RDD has been notified and meets quarterly; 2.1.3b) February-2020: SCC notified and meets quarterly and the 4 Working Groups	2.1.3a) Minutes of SDPC Meetings; 2.1.3b) Minutes of the proceedings of SCC and 4 WGs; 2.1.3c) Minutes of Meetings of SDPF;	

<sup>58</sup> The March 2020 revision had merged the 5 original ERs into 3 ERs for SO2. The September revision by the TA has 5 ERs, including one (ER 5) that is not in the AD but included in the ER in the TA Team's terms of reference.



	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
				(WGs) meet once every 6 weeks; 2.1.3c) March-2021: Strategic Development Partners Forum (SPDF) notified; 2.1.3d) December-2020: Notification for streamlined JDDC; 2.1.3e) March-2021: Model JDDCs in 9 targeted districts activated;	2.1.3d) Minutes of JDDC meetings under the chairmanship of Deputy Commissioner;	immediately to sustain the reform momentum;
		2.1.4) Status of adoption and implementation of the GoB PFM Strategy and Action Plan;	2.1.4) No GoB PFM strategy and Action Plan available;	2.1.4) April-2018: PFM Strategy & Action Plan approved by Cabinet;	2.1.4a) MTFF/MTBF Document by Finance Department/PDD; 2.1.4b) GoB Financial Regulations for Devolved Budgets for CDLG&RD sector;	
		2.1.5) Status of fiscal allocations and transfers from provincial level to district and sub-district levels;	2.1.5) 2017: Financial Regulations for Fiscal Allocations & Transfers at district/sub-district level are not in place;	2.1.5) October-2020: PFM district/sub-district Financial Regulations for devolved CDLG budget allocations/transfers formulated;	2.1.5a) EU Budget Support Eligibility Criteria Assessment Report 2.1.5b) Record of the Development Partners' Budget/Project Support made at Annual SDPF 2.1.5c) District PEFA/FRs documents;	
		2.1.6) Status of district/sub-district PEFA studies;	2.1.6) July-2017: PEFA studies not carried out at district & sub-district level;	2.1.6) October-2020: District PEFA studies conducted in 4 BRACE Programme districts;	2.1.6) District PEFA Documents;	
		2.1.7) Status of PFM trainings/courses for stakeholders;	2.1.7) July-2017: PFM trainings courses not conducted at district & sub-district level stakeholders;	2.1.7) December-2020: PFM trainings conducted for at least 50% of stakeholders (elected representatives of LCs, members of CIs & LGAs etc.) for both men & women at district/sub-district level;	2.1.7) Attendance Sheets of PFM trainings;	
	ER 2 (SO2): Local governments/ <sup>59</sup> authorities have improved capacities to become "developmental", mobilise their resources to reach	2.3.1) Status of BRDA's crucial institutional, organizational and leadership/management capacity and role in the transformative processes in the Local Government Sector in Balochistan;	2.3.1) 2017: BRDA existed without clear legal and autonomous status and mandate and was highly dependent on LG&RDD and other organisations for production of human	2.3.1) June-2022: BRDA is able to deliver quality comprehensive CB/trainings, with specialization in Community-Driven LG&RD, LG-Governance, Planning, Budgeting & M&E;	2.3.1a) Data collection tools/questionnaires, situational analysis and reports, including key findings and recommendations of the BRDA capacity assessment; 2.3.1b) BRDA institutional position paper/strategic plan	

<sup>59</sup> The word "governments" has been added here though it does not appear in the ERs as stated in the Action Document (including the logframe); however, it is part of the ER included in TA Team's terms of reference. See the discussion in Section 2.2.

	<b>Intervention logic</b>	<b>Indicators</b>	<b>Baseline (incl. reference year)</b>	<b>Targets (incl. reference year)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
	out communities, and systematically involve them in planning, co-resourcing and managing local development activities;		resources. No strategic plan was in place;		vision /mission statements, objectives strategies programmes and financial plan; 2.3.1c) Notification of reforms aimed at strengthening the BRDA as autonomous body; 2.3.1d) Updated Rules of Business/ Constitution/ Statute; 2.3.10e) Agenda/Minutes of Progress Review Meetings chaired by Secretary LG&RDD;	
		2.3.2) Status of BRDA administrative and organisational development structures and systems;	2.3.2) 2017: Full-fledged administrative and organisational structures and systems for BRDA was not in place;	2.3.2) June-2022: BRDA has set up a fully functional administrative and organisational structure;	2.3.2a) HRM&D policies, policies manuals, Standard Operating Procedures (SOPs) and systems; 2.3.2b) Agenda/Minutes of staff meetings; 2.3.2c) Job descriptions and advertisements; 2.3.2d) Employee contracts/agreements; 2.3.2e) Organisational charts;	
		2.3.3) Status of the BRDA faculty and pool of trainers and researchers;	2.3.3) 2017: BRDA had 6 lecturers (permanent) out of a total of 51 employees;	2.3.3) June-2022: BRDA has 10 permanent and 15 part time training staff at its disposal;	2.3.3a) Rosters of both permanent and a pool of part time/external training staff; 2.2.3b) Contracts of lecturers, resource persons and researchers;	
		2.3.4) Status of BRDA financial management and sustainability;	2.3.4) 2017: BRDA lacked capacity to generate its own resources and depended on the GoB without alternative funding sources for its operational and recurrent expenditures;	2.3.4) June-2022: BRDA diversifies the financing for its operational and training activities and programme and generates 20% of its budget through sources other than GoB;	2.3.4a) BRDA financial statements; 2.3.4b) GoB BRDA Recurrent/Development budget/allocations; 2.3.4c) Financial sustainability plan; 2.3.4d) GoB budget documents and notifications;	
		2.3.5) Status of the BRDA training curriculum and modules in support of the CDLG&RD and community-led local development approaches;	2.3.5) 2017: Integrated trainings curriculum and modules on CDLG&RD were not in place;	2.3.5) June-2022: 30% of BRDA training (a) curriculum and (b) modules integrate topics on community-led development and local governance;	2.3.5a) Catalogue/ prospectus of all short-, medium- and long-term trainings 2.3.5b) Training calendars; 2.3.5c) Training guidelines and modules with new innovative courses and pedagogical delivery approaches; 2.3.5d) Audio and video	

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		2.3.6) Number of provincial, local government staff, elected local government/ authority representatives and community institution leaders receiving trainings from BRDA;	2.3.6) 2017: BRDA had provided training to provincial, local government/local authorities but not to community institution leaders;	2.3.6) June-2022: 40% of the provincial, local government/local authorities and community institutions leader (both male & female) to be trained by BRDA;	training materials; 2.3.6a) Attendance sheets of number trainees; 2.3.6b) Lists of trainings delivered; 2.3.6c) Certificates of participation; 2.3.6d) Pre-and post-training evaluation data; 2.3.6e) Training/Learning Outcomes Assessment Reports;	
		2.3.7) Status of linkages and collaborative initiatives between the BRDA and similar provincial, national, continental and international institutions;	2.3.7) 2017: There were limited or no training exchanges and linkages with provincial, national and continental institutes and organisations;	2.3.7) June-2022: BRDA has developed effective and sustainable training/technical exchanges and linkages with provincial, national and continental institutes and organisations for tapping technical and financial resources;	2.3.7a) Twinning arrangements, twinning, partnerships MoUs; 2.3.7b) Linkages and collaborative agreements with provincial, national, continental and international institutions; 2.3.7c) Reports of in and out exchange visits;	
	ER 3 (SO2): The Balochistan Rural Development Academy has acquired the necessary capacity to deliver a comprehensive capacity building programme on community-led development and local governance and build the capacities of local authorities to reach out to communities, and systematically involve them in planning, co-resourcing and managing local development activities;	2.3.1) Status of BRDA's crucial institutional, organizational and leadership/management capacity and role in the transformative processes in the Local Government Sector in Balochistan;	2.3.1) 2017: BRDA existed without clear legal and autonomous status and mandate and was highly dependent on LG&RDD and other organisations for production of human resources. No strategic plan was in place;	2.3.1) June-2022: BRDA is able to deliver quality comprehensive CB/trainings, with specialisation in Community-Driven LG&RD, LG-Governance, Planning, Budgeting & M&E;	2.3.1a) Data collection tools/questionnaires, situational analysis and reports, including key findings and recommendations of the BRDA capacity assessment; 2.3.1b) BRDA institutional position paper/strategic plan vision /mission statements, objectives strategies programmes and financial plan; 2.3.1c) Notification of reforms aimed at strengthening the BRDA as autonomous body; 2.3.1d) Updated Rules of Business/ Constitution/ Statute; 2.3.1e) Agenda/ Minutes of Progress Review Meetings chaired by Secretary LG&RDD;	The turnover of trained provincial and district staff by BRDA is modest;  The prevailing law and order situation in the province and nationally remains conducive to implementing community driven development and empowerment;  GoB provides financial resources to the BRDA, districts and sub-districts to implement community driven initiatives;
		2.3.2) Status of BRDA administrative and organisational development structures and systems;	2.3.2) 2017: Full-fledged administrative and organisational structures and systems for BRDA was not in place;	2.3.2) June-2022: BRDA has set up a fully functional administrative and organisational structure;	2.3.2a) HRM&D policies, policies manuals, Standard Operating Procedures (SOPs) and systems; 2.3.2b) Agenda/Minutes of staff meetings;	Concerned institutions and government agencies coordinate and collaborate with

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
					2.3.2c) Job descriptions and advertisements; 2.3.2d) Employee contracts/agreements; 2.3.2e) Organisational charts;	each other in planning, budgeting and implementation;
		2.3.3) Status of the BRDA faculty and pool of trainers and researchers;	2.3.3) 2017: BRDA had 6 lecturers (permanent) out of a total of 51 employees;	2.3.3) June-2022: BRDA has 10 permanent and 15 part time training staff at its disposal;	2.3.3a) Rosters of both permanent and a pool of part time/external training staff; 2.2.3b) Contracts of lecturers, resource persons and researchers;	
		2.3.4) Status of BRDA financial management and sustainability;	2.3.4) 2017: BRDA lacked capacity to generate its own resources and depended on the GoB without alternative funding sources for its operational and recurrent expenditures;	2.3.4) June-2022: BRDA diversifies the financing for its operational and training activities and programme and generates 20% of its budget through sources other than GoB;	2.3.4a) BRDA financial statements; 2.3.4b) GoB BRDA Recurrent/Development budget/allocations; 2.3.4c) Financial sustainability plan; 2.3.4d) GoB budget documents and notifications;	
		2.3.5) Status of the BRDA training curriculum and modules in support of the CDLG&RD and community-led local development approaches;	2.3.5) 2017: Integrated trainings curriculum and modules on CDLG&RD were not in place;	2.3.5) June-2022: 30% of BRDA training (a) curriculum and (b) modules integrate topics on community-led development and local governance;	2.3.5a) Catalogue/ prospectus of all short-, medium- and long-term trainings 2.3.5b) Training calendars; 2.3.5c) Training guidelines and modules with new innovative courses and pedagogical delivery approaches; 2.3.5d) Audio and video training materials;	
		2.3.6) Number of provincial, local government staff, elected local government/ authority representatives and community institution leaders receiving trainings from BRDA;	2.3.6) 2017: BRDA had provided training to provincial, local government/local authorities but not to community institution leaders;	2.3.6) June-2022: 40% of the provincial, local government/local authorities and community institutions leader (both male & female) to be trained by BRDA;	2.3.6a) Attendance sheets of number trainees; 2.3.6b) Lists of trainings delivered; 2.3.6c) Certificates of participation; 2.3.6d) Pre-and post-training evaluation data; 2.3.6e) Training/Learning Outcomes Assessment Reports;	
		2.3.7) Status of linkages and collaborative initiatives between the BRDA and similar provincial, national, continental and international institutions;	2.3.7) 2017: There were limited or no training exchanges and linkages with provincial, national and	2.3.7) June-2022: BRDA has developed effective and sustainable training/technical exchanges and linkages with provincial, national and	2.3.7a) Twinning arrangements, twinning, partnerships MoUs; 2.3.7b) Linkages and collaborative agreements with	

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
			continental institutes and organisations;	continental institutes and organisations for tapping technical and financial resources;	provincial, national, continental and international institutions; 2.3.7c) Reports of in and out exchange visits;	
	ER 4 (SO2): Technical and institutional capacities of implementing partners strengthened to effectively support the Government of Balochistan (GoB) in its objective of improving public service delivery;	2.4.1) Status of IPs a common results framework agreed with GoB;	2.4.1) 2017: None;	2.4.1) 2017: A common results framework for IPs, agreed with GOB, is developed;	2.4.1) Common results framework and LFA;	GoB remains supportive of the CDLG&RD initiatives and is ready to take over after BRACE programme;
		2.4.2) Status of a uniform monitoring system of IPs;	2.4.2) 2017: None;	2.4.2) 2017; IPs follow a uniform monitoring system;	2.4.2) Uniform M&E framework;	
		2.4.3) Status of uniformity of the IPs implementation strategies for the various components of the programme;	2.4.3) 2017: None;	2.4.3) 2017; IPs follow uniform, but contextualised, implementation strategies for the various components of the programme;	2.4.3) Programme Implementation Manuals & Guidelines;	Implementing partners cooperate with each other to ensure that BRACE TA will be held accountable to EUD and the GoB on for progress and performance;
		2.4.4) Status of district and sub-district level JDDCs/ VDPs/ UCDPs/ DDPs in LG&RDD systems;	2.4.4) 2017: No district and sub-district level JDDCs/ VDPs/ UCDPs/ DDPs structures and systems;	2.4.4a) December-2020: Unified JDDCs notified; 2.4.4b) June-2022: 100% VDPs/ UCDPs/ DDPs developed and submitted to GoB;	2.4.4a) Planning Manual of P&DD (JDDCs); 2.4.4b) GoB CDLG&RD Legal framework (VDP/ UCDP/ DDP);	
		2.4.5) Status of integration of Community Institutions (CIs) with District LG systems (JDDCs/ VDPs/ UCDPs/ DDPs);	2.4.5) 2017: No integration of CIs with development committee and development plans (VDPs/ UCDPs/ DDPs);	2.4.5) March 2021: 60% of community institutions' plans are integrated with district government systems and plans (VDPs/ UCDPs/ DDPs);	2.4.5a) JDDC Notification under the Planning Manual; 2.4.5b) Community Institutions work-plans; 2.4.5c) Minutes of meetings; 2.4.5d) Training activities; 2.4.5e) VDP/ UCDP/ DDP documents;	
		2.4.6) Status of coordinated monitoring system of all IPs, with GoB LG&RDD in the lead;	2.4.6) 2017: Coordinated monitoring system of IPs with LG&RDD was not in place and each actor worked in isolation and in uncoordinated manner;	2.4.6) October-2020: Monitoring Task Force comprising of IPs & GoB/LG&RDD at district & sub-district level in place;	2.4.6a) Regular meetings/minutes of OSC & SPDC; 2.4.6b) Monthly Progress Review Meetings of Secretary, LG&RDD with all IPs; 2.4.6c) Reports of External Monitors on KPIs; 2.4.6d) Quarterly Progress Reports of IPs; 2.4.6e) 6 Monthly Progress reports of IPs;	
		2.4.7) Status of Training and Action Research	2.4.7) 2017: There were no Training and Action Research activities;	2.4.7) June-2021: The TA will assist the Programme partner NGOs in the definition and	2.4.7) Number and quality of Training and Action Research rapid assessments, policy	

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
				implementation of this component. Some ideas include: action research on poverty dynamics in Balochistan, sustainability and continuity of community institutions (CIs), nexus between community-led development and local governance, women's empowerment, micro-health insurance, community investment fund/income generating grants and community internal savings and lending, economic growth/empowerment, Territorial Approaches to Development (TALD), impact and sustainability of community physical infrastructure etc;	briefs, reports of situational analysis, including key findings recommendations on various topical issues;	
	ER 5 (SO2): Cross-cutting/managerial tasks are implemented in support of the project objectives and expected results; <sup>60</sup>	2.5.1 Status of the BRACE Programme exit strategy;	2.5.1 2017: No joint BRACE Programme exit strategy;	2.5.1 June-2022: The overall joint BRACE Programme exit strategy prepared in coordination with GoB, Programme partners, and other concerned stakeholders to ensure a smooth transition of the Programme activities and the sustainability of the results;	2.5.1a) IPs BRACE Programme exit Strategy; 2.5.1b) BRACE TA Project exit Strategy;	GoB committed to and ensures the sustainability of the project's results and outcomes; GoB remains supportive of the CDLG&RD initiatives and is ready to take over after BRACE programme; Implementing partners cooperate with each other; GoB and all IPs committed to the adoption and implementation of the C&V Strategy and Action Plan Document;
		2.5.2) Status of Joint BRACE Communication & Visibility (C&V) Strategy and Action Plan	2.5.2) 2017: No joint BRACE IPs' C&V Strategy or coordinated BRACE IPs' C&V messages existed;	2.5.2) December-2020: Develop and implement a joint comprehensive BRACE C&V Strategy and Action Plan and assist the Programme partner NGOs in formulation of their respective C&V Plan of Action with coordinated C&V messages for the strategic and policy aspects of the Programme. This will be done in consultation with the EU C & V	2.5.2a) BRACE Communication and Visibility (C&V) Strategy and Action Plan Documents;  2.5.2b) C&V Messages for portfolios from all BRACE IPs and TA;  2.5.2c) Local and Foreign Exposure Visits or Study Tours.	

<sup>60</sup> This ER is not in the Action Document or the revised logframe of March 2020 but it is part of the TA Team's terms of reference.

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
				TA that the EU has contracted for communication and visibility of its interventions in Pakistan;		GoB and all IPs committed to the adoption and implementation of the Gender Mainstreaming Strategy (GMS) and Action Plan Documents;
		2.5.3) Status of BRACE Gender Mainstreaming Strategy (GMS) Strategy (GMS) and Action Plan	2.5.3) 2017: No BRACE Programme Gender Mainstreaming Strategy (GMS) Strategy (GMS) and Action Plan in place;	2.5.3) December-2020: Design and implement comprehensive gender analysis for the Programme and produce a Gender Mainstreaming Strategy (GMS) and Action Plan for a gender sensitive implementation approach for the entire Programme in general, and particularly for the community empowerment/social mobilisation component.	2.5.3a) Gender mainstreaming data collection tools, situational analysis and reports, including key findings and recommendations; 2.5.3 b) Gender Mainstreaming Strategy (GMS) Document and Action Plan Documents; 2.5.3c) Evidence of the Programme partners systematically mainstreaming gender and incorporating measures to address gender inequalities, the use of gender-sensitive indicators at different levels and in their respective LFM, and to report on gender mainstreaming in their progress reports.	GoB and all IPs adopt and maintain the BRACE Programme website;
		2.5.4) Status of BRACE website;	2.5.4) 2017: BRACE website did not exist;	2.5.4) October-2020: BRACE programme website launched/ maintained to disseminate information about the programme and the engagement of government and implementing partners;	2.5.4) BRACE Programme website;	
		2.5.5) Status of governance, policy and legal research studies;	2.5.5) There were no governance, policy and legal research studies conducted.	2.5.5) December-2020: Develop the ToR and commission various governance, policy and legal research studies on topical/thematic issues e.g. GoB Poverty Reduction Strategy and Local Government Political Economy Analysis (LG-PEA).	2.5.5) Number and quality of rapid assessments, policy briefs, reports of situational analysis, including key findings recommendations on various topical governance, policy and legal research studies;	
		2.5.6) Status of the BRACE TA Logframe Matrix (LFM).	2.5.6) Before 2017, there was no BRACE TA Logframe Matrix (LFM). However, the initial internal LF-update analysis was carried out (October 2018).	2.5.6) October/November-2020: Update the LF by incorporating the post-COVID-19 pandemic implementation delays and re-submit to the EUD.	2.5.6) Updated version of the LF with clear intervention logics, baselines, indicators, targets and sources and means of verification.	

## Annex 4: Context Analysis for Assessing the Opportunity Framework

### 1. CHANGES IN THE CONTEXT

#### 1.1. Introduction

Decision makers, including political leaders and planners, have consistently referred to the potential of Balochistan and also acknowledged its enduring problems and the neglect from which it has suffered. Many among them as well as in civil society and the media have been acutely aware of the sense of deprivation that prevails in the province. Decades of neglect, widespread poverty, conflict and lack of security have combined in a formidable challenge for the future. The prime minister has referred to the situation in his public statements and “expressed his firm resolve to end the sense of deprivation long felt by the people of Balochistan by launching a series of development projects to undo the neglect of decades”.<sup>61</sup>

Balochistan is the least developed province of the country, lagging behind others in almost all socio-economic indicators, with some districts in a state the prime minister has referred to as the “stone age”.<sup>62</sup> Gender and rural-urban disparities are pronounced, and services over-stretched, not only for lack of resources and capacity but also because of poor communication infrastructure, scattered and sparsely-populated rural communities, and a population density that is a fraction of other provinces. Balochistan also suffers from droughts, earthquakes and multiple environmental problems, and climate change has created a new set of challenges. For at least two decades, the provincial gross domestic product (GDP) has increased more slowly than in other provinces:<sup>63</sup> the province has been falling behind the rest of the country with the passage of time.

#### 1.2. Major Developments Since 2016

Much has changed in Balochistan and the country since the Balochistan Rural Development & Community Empowerment Programme (BRACE) Action Document was prepared. An updated analysis of the prevailing situation is needed to place the programme in its current context. To the extent possible, it is also useful to include relevant trends that are anticipated during the remainder of the programme period (up to 2022 or thereabouts) and beyond. These updates contribute to the opportunity framework of the intervention logic, which requires an analysis of enabling and hindering factors, including European Union (EU) policies and priorities and the provincial and national context.<sup>64</sup>

##### 1.2.1. Population Census and Related Issues

The much-delayed national population census took place in 2017 after a gap of 19 years and reported a population of 207.77 million, a 57-percent increase since 1998.<sup>65</sup> Provisional results put the population of Balochistan at 12.34 million (72 percent rural), an increase of 88 percent (and a growth rate of 3.37 percent per annum); the eight BRACE programme districts accounted for 36 percent of the rural population of the province.<sup>66</sup> The census results generated technical concerns as well as controversy,<sup>67</sup>

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<sup>61</sup> “To end ‘sense of deprivation’: PM Imran Khan pledges series of projects for Balochistan,” news report in *The News* (daily), 25 July 2020 (<https://www.thenews.com.pk/print/691461-to-end-sense-of-deprivation-pm-pledges-raft-of-projects-for-balochistan>).

<sup>62</sup> “PM Imran Khan admits Balochistan is a long-neglected province of Pakistan,” news report in *Geo News*, 30 September 2020 (<https://www.geo.tv/latest/310741-pm-imran-khan-admits-balochistan-has-been-neglected-province-of-pakistan>).

<sup>63</sup> Government of Balochistan, “Balochistan Comprehensive Development and Growth Strategy (BCDGS) 2019-2025,” p. 21.

<sup>64</sup> The theory of change assignment for which this context document has been prepared follows the technical guidance provided in Chapter 8 of the European Commission *Guidelines on Linking Planning/programming, Monitoring and Evaluation*, prepared by the EU’s Directorate-General Neighbourhood and Enlargement Negotiations, July 2016 ([https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf)).

<sup>65</sup> Government of Pakistan, Pakistan Bureau of Statistics, “Province-wise Provisional Results of Census—2017”

([http://www.pbs.gov.pk/sites/default/files/PAKISTAN%20TEHSIL%20WISE%20FOR%20WEB%20CENSUS\\_2017.pdf](http://www.pbs.gov.pk/sites/default/files/PAKISTAN%20TEHSIL%20WISE%20FOR%20WEB%20CENSUS_2017.pdf)). The census included all persons residing in the country, including Afghans and other aliens residing with the local population, but not Afghan refugees living in refugee villages.

<sup>66</sup> 2017 district-level population data for Balochistan and projections for 2022 are shown in Appendix 1.

<sup>67</sup> Muhammad Asif Wazir and Anne Goujon, “Assessing the 2017 census of Pakistan using demographic analysis: A sub-national perspective,” Vienna Institute of Demography Working Papers, No. 06/2019,



particularly in Balochistan, Khyber Pakhtunkhwa (KP) and Sindh, and also among persons with disabilities<sup>68</sup> and transgender people<sup>69</sup>, two groups that were substantially under-counted.

The Council of Common Interests<sup>70</sup> approved the provisional census results, and the parliament passed a constitutional amendment, to allow the delimitation of constituencies for the 2018 national and provincial elections on the basis of these results.<sup>71</sup> The Council has not yet approved the final results because of disagreement among the political parties. Thus, delimitation of constituencies for local government elections cannot be carried out. In addition, the constitutionally-mandated National Finance Commission (NFC) cannot decide the allocation of resources among the federal and provincial governments as long as the census results are not approved.<sup>72</sup>

### 1.2.2. Elections, New Governments and Political Confrontation

The 2018 elections brought in new governments at the national level and in two of the four provinces, including Balochistan (where a coalition government was formed). The new federal government has been pursuing a vigorous anti-corruption initiative it associates with accountability, with a focus on a large number of opposition leaders, most of whom have been imprisoned in the process. The opposition announced the formation of a multi-party alliance in September 2020 that has started agitating against the government with the aim of bringing about its downfall. The alliance plans to organise a mass movement with anti-government demonstrations (including six main rallies) all over the country during 2020, ending with a march on Islamabad in early-2021. A highly acrimonious environment prevails at present and there are no signs yet of a negotiated end to the looming confrontation.

### 1.2.3. Economic Growth and Inflation

Pakistan's macroeconomic indicators improved during the first three years of the previous government, which was in office during 2013-2018, and worsened during its last two years as a result of weak resource mobilisation and high expenditures leading up to the 2018 elections.<sup>73</sup> Facing serious problems, the new federal government elected in 2018 approached the International Monetary Fund (IMF) and reached agreement on an Extended Fund Facility in July 2019.

With monetary and fiscal tightening in effect due to the IMF programme, the annual GDP growth rate decreased from 5.5 percent in fiscal year (FY) 2017-18 to 1.9 percent in FY 2018-19.<sup>74</sup> In FY 2019-20, GDP decreased by 1.5 percent due to the effects of the coronavirus disease 2019 (COVID-19)

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Austrian Academy of Sciences (ÖAW), Vienna Institute of Demography (VID), Vienna (<https://www.econstor.eu/bitstream/10419/207062/1/1667013416.pdf>).

<sup>68</sup> Amin Hashwani, "Uncounted numbers," article in *Dawn* (daily), 5 November 2017

(<https://www.dawn.com/news/1368425>). The author is president of NOWPDP, a disability inclusion initiative.

<sup>69</sup> Zofeen T. Ebrahim, "Don't we count? Transgender Pakistanis feel side-lined by census," Thomson Reuters Foundation, 17 October 2017 (<https://www.reuters.com/article/pakistan-transgender-census/dont-we-count-transgender-pakistanis-feel-sidelined-by-census-idUSL8N1ME398>).

<sup>70</sup> The Council of Common Interests is a constitutional body that belongs to the federation. It is chaired by the prime minister and includes all four chief ministers and three federal cabinet members nominated by the prime minister.

<sup>71</sup> Hassan Nasir Mirbahar and Ray Serrato, "Pakistan's 2018 Delimitation of Electoral Districts: Analysis of preliminary results," Democracy Reporting International, 15 March 2018 (<https://democracy-reporting.org/pakistans-2018-delimitation-of-electoral-districts-analysis-of-preliminary-results/>).

<sup>72</sup> The NFC is chaired by the federal finance minister and includes the four provincial finance ministers. Through an award made every five years for a five-year period, it has to decide the distribution of revenues collected by the federal government, which form a divisible pool, and royalties on revenues generated by oil, natural gas and hydroelectricity. The Eighth NFC Award, which was due in 2015, has not been concluded, so the distribution of the divisible pool is taking place under the Seventh NFC Award of 2010.

<sup>73</sup> World Bank, *Pakistan Development Update—Weathering the storm: Restoring macroeconomic stability*, June 2019, p. 11 (<https://openknowledge.worldbank.org/bitstream/handle/10986/32301/Weathering-the-Storm-Restoring-Macroeconomic-Stability.pdf?sequence=1&isAllowed=y>). The report adds (p. 13), "Pakistan's average economic growth rate has been declining over the past 30 to 40 years, with periods of growth acceleration usually followed by a crisis."

<sup>74</sup> Asian Development Bank, *Asian Development Outlook 2020*, September 2020, p. 182 (<https://www.adb.org/sites/default/files/publication/635666/ado2020-update.pdf>).

pandemic. Inflation increased to 10.7 percent from 6.8 percent in the previous year.<sup>75</sup> Food inflation averaged 13.6 percent in urban areas and 15.9 percent in rural areas.<sup>76</sup>

#### 1.2.4. Poverty and the COVID-19 Pandemic

The World Bank’s October 2020 assessment forecasts GDP growth to average 1.3 percent over FY 2020-2022 (calling this projection “highly uncertain”), with growth in FY 2020-21 in the range of 0.1 to 0.6 percent. With pandemic job losses at 14 million, it expects poverty to increase for the first time in two decades. It notes that vulnerable households rely heavily on jobs in the services sector, where weak growth would be “insufficient to reverse the higher poverty rates precipitated by the pandemic”. The agriculture sector has been “partially insulated” from the effects of containment measures and showed modest expansion.<sup>77</sup>

The Government of Balochistan (GoB)’s mid-2020 assessment<sup>78</sup> forecast the provincial GDP to have contracted by 2 to 6 percent during FY 2019-20. It observed that “the pandemic was having a disproportionate impact on the informal sector, including wage workers as well as self-employed and contributing family workers. Groups of workers, including daily wagers, women, youth and migrant workers, who are over-represented in the informal economy, are being disproportionately hit by the pandemic.” A “progressively-increasing negative impact on wage workers—those who receive remuneration in the form of wages, salary, commissions, tips, piece rates or pay in kind”—is also expected.

The report estimates that there were 0.83 million poor households in 2019-20, a number that had likely increased by 0.27 million households as of April 2020, with the proportion living in extreme poverty having increased from 14 to 24 percent. If the pandemic continues, 0.54 to 0.78 million more households are projected to become poor, leading to a poverty incidence of 70-82 percent in the province. The proportion of households in extreme poverty is projected to increase to 35-56 percent.<sup>79</sup>

#### 1.2.5. Sustainable Development Goals

In February 2016, Pakistan became the first country to adopt the Sustainable Development Goals (SDGs)—the 2030 Agenda—through a unanimous resolution of the parliament. Assisted by the United Nations Development Programme (UNDP), but largely with its own funds, the government has established SDG Support Units at the federal and provincial levels (including the jurisdictions of Azad Jammu and Kashmir and Gilgit-Baltistan) in the respective Planning and Development Departments (P&DDs). The P&DDs have prepared national and provincial SDG Frameworks, which reflect government priorities and include baselines and targets for as many of the SDG targets for which data are available. They also review federal and provincial resource allocation in terms of SDG targets on an annual basis.

GoB established its SDG Support Unit in November 2017 and endorsed the provincial SDG Framework prepared in March 2020. The framework identified priority targets, including the short-term priorities (2019-2022), in a table that is reproduced below.<sup>80</sup>

**Table 5: Balochistan Sustainable Development Goals—short-term priority targets, 2019-2022**

Target	Definition	Lead Department	Stakeholders
1.1	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	P&DD; Pakistan Poverty Alleviation Fund <sup>81</sup>	Social Welfare Department/ P&DD; Education Department; Health Department

<sup>75</sup> World Bank, *South Asia Economic Focus—Beaten or Broken? Informality and COVID-19*, October 2020, p. 16 (<https://openknowledge.worldbank.org/handle/10986/34517>).

<sup>76</sup> Asian Development Bank, *op. cit.*, p. 183.

<sup>77</sup> World Bank, *South Asia Economic Focus*, October 2020, pp. 126-128.

<sup>78</sup> Government of Balochistan, Planning and Development Department, “COVID-19: Balochistan Socio-economic Impact Assessment,” n.d., pp. 9-11. (Data used in the report suggest that it was prepared in May-June 2020.)

<sup>79</sup> Government of Balochistan, *op. cit.*, pp. 12-15. These poverty estimates are based on the Household Income Expenditure Survey (HIES) 2015-16. The report says (p. 14) that microdata made available by the Pakistan Bureau of Statistics from HIES 2018-19 shows that the incidence of poverty in Balochistan decreased from 42.3 percent in 2015-16 to 40.7 percent in 2018-19.

<sup>80</sup> Government of Balochistan, Planning and Development Department, and United Nations Development Programme, “Provincial SDG Framework for Balochistan,” March 2020, p. 86.

<sup>81</sup> The Pakistan Poverty Alleviation Fund (PPAF) was established by the federal government in 1998 with World Bank assistance as an apex non-governmental entity with the goal of establishing, strengthening and empowering institutions of the poor (community institutions) and supporting institutions for the poor

Target	Definition	Lead Department	Stakeholders
1.2	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	P&DD Pakistan Poverty Alleviation Fund	Social Welfare Department/ P&DD; Education Department; Health Department
1.3	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030, achieve substantial coverage of the poor and the vulnerable	Social Welfare Department; P&DD	Social Welfare Department/ P&DD
1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	P&DD; Social Welfare, Special Education, Non-formal, Literacy and Human Rights Department	Population Welfare Department/ P&DD
2.1	By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	Balochistan Nutrition Project for Mothers and Children (Health Department); Primary & Secondary Health Department	Food Department
3.1	By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.	Health Department	Women Development Department; Population Welfare Department
3.2	By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.	Health Department	Women Development Department; Population Welfare Department
3.7	By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes	Health Department	Women Development Department; P&DD; Population Welfare Department
4.5	By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Education Department; Provincial Technical and Vocational Education and Training Authority	Women Development Department; P&DD; Population Welfare Department
6.1	By 2030, achieve universal and equitable access to safe and affordable drinking water for all	Public Health Engineering Department	P&DD; Population Welfare Department; Water & Sanitation Authority/ Health Department
7.1	By 2030, ensure universal access to affordable, reliable and modern energy services	P&DD	Energy Department; Quetta Electric Supply Corporation (QESCO)

### 1.2.6. China-Pakistan Economic Corridor

The China-Pakistan Economic Corridor (CPEC) is a 15-year bilateral initiative focusing on the energy sector, infrastructure development and special economic zones in Pakistan that was announced in

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(independent support mechanisms) (<http://www.pfaf.org.pk/RBF.html>). It has worked in Balochistan through partner organisations including the Balochistan Rural Support Programme (BRSP) and the National Rural Support Programme (NRSP), which are implementing partners in BRACE and two of the leading independent support mechanisms for poverty reduction in the country.

2015. The corridor links Kashgar in China with Gwadar Port in the Makran District<sup>82</sup> of Balochistan, which became formally operational in 2016. The western route of the corridor, scheduled for completion in 2020, passes through some of the lagging districts of Balochistan and southern KP and is expected to integrate them with national markets<sup>83</sup>. Seven districts of Balochistan are considered to be in the zone of influence of the western route—Gwadar, Kech, Khuzdar, Kalat, Quetta, Killa Saifullah and Zhob.<sup>84</sup> CPEC includes plans for nine special economic zones (SEZs), including the Bostan Industrial Zone in Balochistan, which was notified in March 2020.<sup>85</sup> It will be located in Pishin District, 25 km from Quetta Airport, and is expected to host 10 industries, with beneficial effects extending to Killa Abdullah, Killa Saifullah and Ziarat Districts.

### 1.2.7. Balochistan Comprehensive Development and Growth Strategy (BCDGS) 2019-2025

GoB recognises the importance of CPEC to the province and plans to benefit from the opportunities it is creating. This is reflected in the BCDGS, which states that:<sup>86</sup>

CPEC has brought multiple opportunities for economic growth and social development through enhancing regional connectivity and improving infrastructure, and establishment of SEZs, linking fast-growing regions to relatively poorer regions which will create demand for development of urban infrastructure. Increased connectivity with CPEC roads network will boost economic growth and bring prosperity in Balochistan since the corridor will pass through some of the poorest districts of the province which, in turn, will spur the process of integration of Balochistan's economy with surrounding regions of other provinces.

The BCDGS is built around growth six pillars:

- Growth Pillar 1: Attract Investment in [small and medium enterprises] and SEZs. Industrial development a first priority for the province. Facilitate both large scale and small scale industries. Establish SEZs.
- Growth Pillar 2: Improved Infrastructure and Regional Connectivity. Enhance connectivity within the province and with other provinces and neighbouring countries. Connect economic hubs with trade corridors (especially CPEC).
- Growth Pillar 3: Exploration of Minerals and Natural Resources. Development, extraction and processing of mineral and natural resources is a priority for economic growth, combating poverty and job creation in the province.
- Growth Pillar 4: Developing Coastal Area for Fisheries and Tourism. Investment in coastal development and fisheries is a priority: develop harbours, establish fish processing zones and enhance compliance with international standards. Tourism can trigger economic activity.
- Growth Pillar 5: Protecting Agriculture and Livestock. Focus on crops, livestock effective water use, low-delta crops, effective extension services, availability of quality seeds and access to competitive markets, credit facilities and public private partnerships.
- Growth Pillar 6: Investing in Human Capital, Social Protection and Services. Increasing youth employability through training and development. Consider poverty alleviation, social protection, and provision of basic services, gender equality and women's development as a priority.

## 2. DEVELOPMENT FINANCE

### 2.1. Financial Outlays: An Unsustainable Scenario?

A long-term perspective suggests that Pakistan has not done well in generating revenue and focusing on the development of its people: development expenditure, as a percentage of the GDP, fell sharply during the thirty-year period from 1985 to 2015; revenue generation was and continues to be inadequate; and social sectors have been consistently underfinanced in comparison with relevant

<sup>82</sup> District names are spelled here in the same way as in the 2017 population census (refer to Appendix 1 of Annex 4).

<sup>83</sup> Ishrat Hussain, "CPEC and Pakistani economy: an appraisal," Centre of Excellence for CPEC, n.d., p. 7 ([http://cpec.gov.pk/brain/public/uploads/documents/CPEC-and-Pakistani-Economy\\_An-Appraisal.pdf](http://cpec.gov.pk/brain/public/uploads/documents/CPEC-and-Pakistani-Economy_An-Appraisal.pdf)).

<sup>84</sup> Shahid Habib, Fazle Rabi and Farkhanda Jabeen, "China-Pakistan Economic Corridor (Western Route) Baseline Study of Socioeconomic Situation of Zone of Influence," Manzil Pakistan, December 2015; <http://manzilpakistan.org/pdf/CPECwestrenrouteBaselineStudyofSocioeconomicSituationofZone.pdf>.

<sup>85</sup> CPEC Bostan Industrial Zone (<http://cpec.gov.pk/project-details/55>).

<sup>86</sup> BCDGS, p. 27.

developing countries and lose out to politically-motivated initiatives in the competition for scarce resources.<sup>87</sup>

The situation improved somewhat with respect to the social sectors after the Eighteenth Constitutional Amendment (April 2010), which completely devolved several subjects (including the social sectors) from the federal to provincial governments, and the Seventh NFC Award (May 2010), which recognised the new provincial mandates. This led to large increases in provincial budgets, which led to large increases in health and education spending, most of which was “eaten away by the prevailing high inflation,” and a large dent in what remained in real terms was made by increases in government salaries, which were greater than the inflation rate.<sup>88</sup>

The prevailing basis for distribution of revenues collected by the federal government (the divisible pool) was laid down in the Seventh NFC Award of 2010: population (82 percent of the weight), poverty and backwardness (10.3 percent), revenue collection and generation (5 percent) and inverse population density (2.7 percent). The 2017 multi-donor “Balochistan: Public Expenditure and Financial Accountability (PEFA) Performance Assessment Report” reported that “fiscal transfers from the federal government constitute more than 90 percent of provincial receipts which are guaranteed under the [Seventh] NFC award. Own source tax revenue collection targets are prepared using an incremental approach without proper analysis and the GoB has been unable to achieve revenue collection targets for any of the last three fiscal years.”<sup>89</sup>

At both the federal and provincial levels, funds are allocated through the budget process in two main categories, the development and recurrent budgets. Recurrent expenditure accounts for approximately “80 percent of total expenditure [and] is hardly evaluated for its alignment with government policies and priorities or even its need.”<sup>90</sup> All but a small proportion of the recurrent expenditure is committed to wages, office rent, utilities, vehicle operation and other day-to-day expenses of running government departments. Departmental meetings and field observations suggest that, more than in other provinces, operational funds for many of the line departments to perform their routine functions in the field (away from offices) are almost non-existent in Balochistan.

The 2017 PEFA report observed that:<sup>91</sup>

Spending of the province is predominately focused on the recurrent side that accounts for three-quarters of the total budget. The Government’s wage bill represents about 75 percent of the current expenditure (46 percent of the total budget) limiting fiscal space for operations and development expenditure. Due to the volatile security situation in the province, the GoB’s expenditure on law and order increased significantly.

The rigidities in the recurrent budget suggest that service delivery at adequate levels has become unsustainable in Balochistan for most if not all of the sectors. Moreover, it appears that the demands generated by the public sector development programme (PSDP) on the development budget are also unsustainable. Insights that are germane to this observation across the country include:<sup>92</sup>

[T]here is a scramble to get projects included in the PSDP even with a “token allocation”.<sup>93</sup> This adds to the rigidity of the development budget by increasing the “throw-forward”.<sup>94</sup> The “throw-forward” and the proportion of PSDP portfolio comprising of new projects has been growing significantly in recent years. This implies: (i) that the average time required to fully complete the present portfolio (even if no new project is added to it) at present level of allocations has been

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<sup>87</sup> Based on Consortium for Development Policy Research (CDPR), “Pakistan’s Public Expenditure: Insights and Reflections,” pp. 15-31; Lahore, CDPR, August 2015 (<https://cdpr.org.pk/wp-content/uploads/2018/07/Raftar-Public-Expenditure-policy-report-27Aug2015.pdf>).

<sup>88</sup> CDPR, *op. cit.*, pp. 27-28.

<sup>89</sup> Government of Balochistan and Development Partners (The World Bank, UKAID, USAID, European Union and ADB), “Public Expenditure and Financial Accountability (PEFA) Performance Assessment Report,” April 2017, pp. 10-11 (<http://documents1.worldbank.org/curated/en/794111540553782391/pdf/Balochistan-PEFA-Assessment-April-2017.pdf>).

<sup>90</sup> CDPR, *op. cit.*, p. 15.

<sup>91</sup> PEFA Report, p. 23.

<sup>92</sup> CDPR, *op. cit.*, p. 31.

<sup>93</sup> “A glaring example of this is a railways project. With an overall cost of PKR 55 billion, the project has been receiving a ‘token allocation’ of PKR 1 million in each of the last three PSDPs.”

<sup>94</sup> “Throw-forward is a term used in the government to define the claim of present portfolio of projects on future fiscal resources.”

increasing; and, (ii) on-going projects are receiving relatively less attention and financing, which is likely to delay their completion.

For Balochistan, the PEFA report observed that:<sup>95</sup>

For the development budget, the [Finance Department] communicates a ceiling to the P&D Department for the year and the development budget is prepared within that ceiling. However, a large number of new development schemes are included each year but do not get the required budget allocation for a fiscal year as the size of the development budget is to be curtailed within the available fiscal space. This results in increasing throw-forward, which as of June 20, 2016, was PKR 141 billion or almost three times the provincial PSDP.

## 2.2. Sector Allocations in the Public Sector Development Programme, 2014-15 to 2019-20

The PSDP in Balochistan, which is financed through the development budget, is presented under 26 sectors (one of which is called Other Schemes). During the six financial years from 2014-15 to 2019-20 (data presented in Appendix 2), eight sectors generally accounted for 70-80 percent of the PSDP: Communication, Education, Water (irrigation), Public Health Engineering, Health, Physical Planning and Housing, Agriculture and Power (Figure 8). The allocation to Other Schemes spiked in the two years prior to the (provincial and national elections), 2016-17 and 2017-18. This is consistent with the large increases in discretionary constituency-based project spending that are observed in all provinces when the provincial and federal governments start preparing for elections.

The sectors that appear in the PSDP have been clustered under Social Sectors, Infrastructure,<sup>96</sup> Agriculture and Natural Resources, and Remaining 10 Sectors in Appendix 2. The data for the six years under review<sup>97</sup> show that:

- More than one-third of the PSDP was allocated to the Social Sectors (Education, Health, Public Health Engineering, Social Welfare, Women Development and Population Welfare).
- Approximately the same proportion went to Infrastructure (Communication, Physical Planning and Housing, Power, and Urban Planning and Development).
- Agriculture and Natural Resources (Agriculture, Water for irrigation, Livestock, Forestry and Fisheries) garnered 14-15 percent.
- Taken together, the Remaining 10 Sectors (Local Government, Sports, Information Technology, Culture, Industries, Manpower, Environment, Minerals, Food and Tourism) received 7-9 percent of the PSDP in most years.
- Other Schemes varied greatly over this period, with a share of 12 percent in 2019-20, less than 2 percent the previous year, 18 percent in 2017-18 and 27 percent in 2016-17 (the last two being pre-election years).

This analysis suggests that development spending in the province is based, evidently, on a stable pattern of decision-making, including political choices and legacy. At the same time, as the 2017 PEFA Report observed: (a) “The Government does not have a fiscal strategy and medium-term budgetary framework (MTBF) and no fiscal forecasts are prepared. There is no approved development or policy framework to link policy with the budget;” and, (b) “Annual process for current budget is largely an exercise that allows a certain increment over the previous year. For development budget, schemes are included in the budget without proper costing, appraisal, and approval.”<sup>98</sup> It added that, compared with the PEFA assessment of 2007:<sup>99</sup>

Budget credibility has deteriorated as the variance between budgeted and actual expenditure increased over the years, at aggregate level as well as by composition. The budget making process has become less organised and participatory because the central departments [Finance and P&DD] no longer provide extensive guidance and few line departments observe the timelines of the budget calendar. The transparent and rule based mechanism for fiscal transfers to the local governments no longer exists and fiscal transfers have been discretionary.

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<sup>95</sup> PEFA Report, p. 52.

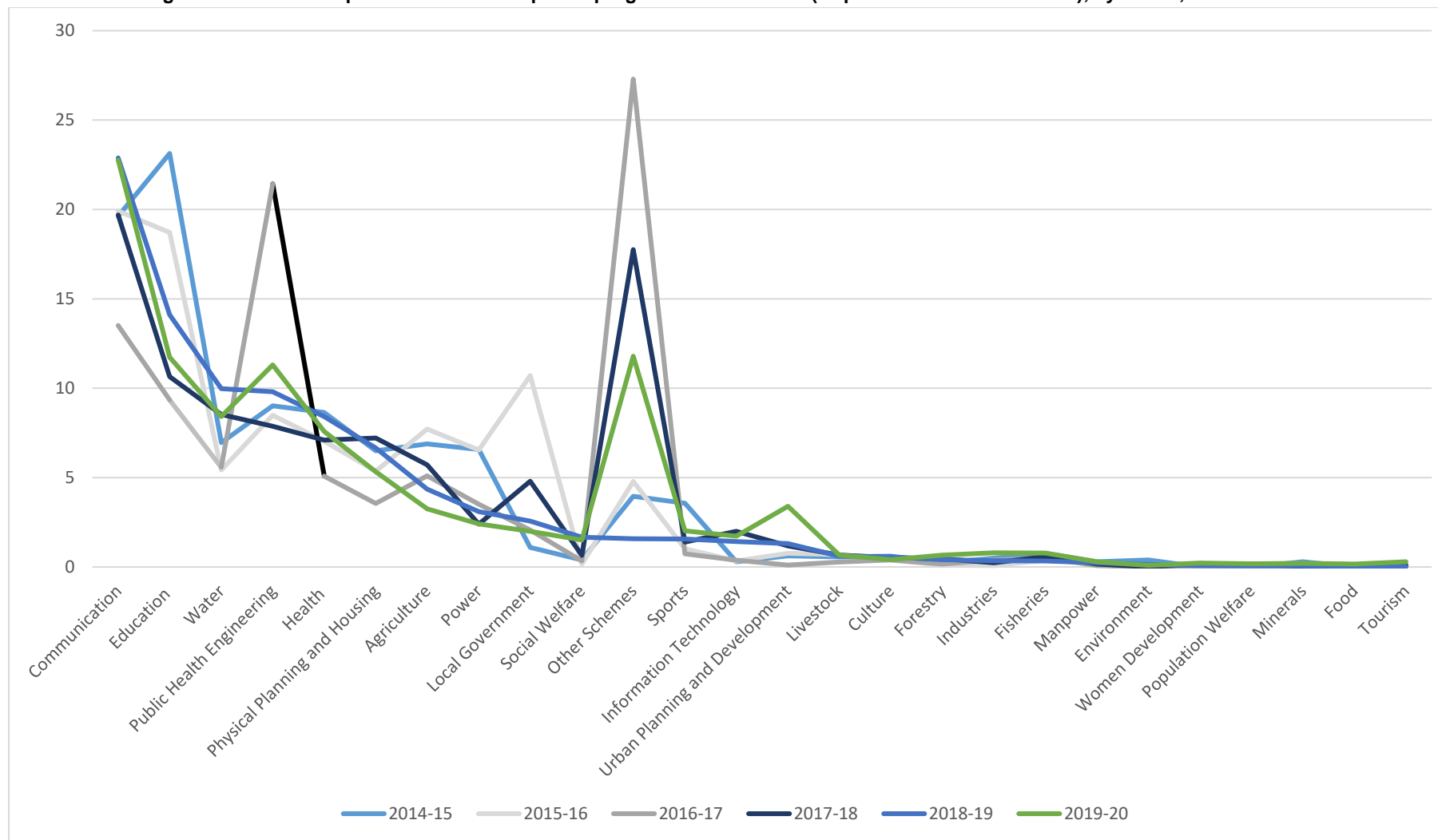
<sup>96</sup> There are also components for infrastructure development in other sectors, which are not included in Infrastructure.

<sup>97</sup> This time period includes four years of the previous government and two years of the current one. The two governments were formed by two different coalitions of political parties.

<sup>98</sup> PEFA Report, p. 10.

<sup>99</sup> PEFA Report, p. 12.

**Figure 8: Balochistan public sector development programme allocations (as percent of total allocation), by sector, 2014-15 to 2019-20**



Source: Government of Balochistan, Planning and Development Department, "Public Sector Development Programme," various years.

### 2.3. Public Financial Management Reform

Based on the findings of the 2017 PEFA review, a World Bank report gave ratings for all seven pillars of public sector financial management in Balochistan (Table 6).

GoB acknowledged the weaknesses pointed out in the PEFA Report in its public financial management (PFM) system and responded with a Public Financial Management Reform Strategy (PFM-RS) prepared with EU assistance. The PFM-RS recognises that “The province has weak institutional capacity reflected across the government with a fragmented public investment management regime, weak budgetary processes, severely inadequate coverage of internal controls especially for local funds, lack of automation and outdated manuals and guidelines.”<sup>100</sup>

**Table 6: Pillar-level rating of Balochistan public sector financial management**

Pillars	Rating
Transfers from higher-level government	A
I. Budget Reliability	D
II. Transparency of Public Finance	D
III. Management of Asset and Liabilities	D
IV. Policy-Based Fiscal Strategy and Budgeting	D
V. Predictability and Control in Budget Execution	D
VI. Accounting and Reporting	C
VII. External Scrutiny and Audit	D

Source: Calculated for World Bank, “Balochistan, Pakistan—Strengthening Budget Management to Improve Education Service Delivery,” May 2018, based on aggregation of pillar-level scores in the Balochistan PEFA report.

The strategy comes with an action plan that “defines detailed actions, schedules and milestones across the 10 years of the strategy, with emphasis on the measures to be addressed in the short term (2017-18) for each of the five pillars and four cross-cutting areas.”<sup>101</sup> The five pillars of the PFM-RS are:<sup>102</sup> Enhanced Revenue; Strengthened Fiscal Management; Planning, Budgeting and Monitoring; Reformed Development Budget System; and, Improved Management of Funds in Local Government. The four cross-cutting themes are: Legal and Regulatory Framework; Capacity Enhancement; Technology; and, Transparency and Accountability. A recent Asian Development Bank review of PFM systems in Pakistan does not report any progress in the reform process in Balochistan.<sup>103</sup>

## 3. DEVELOPMENT ADMINISTRATION

### 3.1. Institutions for Local Development: Overview

Three main categories of institutions are engaged in development in Pakistan. The first and most important of these are the **federal and provincial line departments**. Much of the responsibility for development activities lies with the provincial line departments, though federal departments also play an important role in the provision and management of public goods (including communication and power), taxation, and individual entitlements (such as national identity cards, voter registration and social protection). All provincial departments have offices at the district level and most have outreach in the field down to the union council, which, for most purposes, is the lowest level of administration in Pakistan.<sup>104</sup>

National and provincial legislatures and local governments are **representative institutions**, based on elections, which are also involved in development activities. Local governments have development functions that are described in provincial legislation. The legislators have been involved in identifying development projects for their constituencies since the 1985 non-party elections organised under the military regime of General Zia-ul-Haq, before which they had no direct role in development activities. Physical infrastructure projects of representative institutions are implemented in Balochistan by the

<sup>100</sup> Government of Balochistan, “Public Financial Management Reform Strategy and Action Plan 2018-2026,” n.d., p. 2 (<http://www.finance.gob.pk/Documents/Downloads/Final%20PFM-RS-1.Acknowledgement.pdf>).

<sup>101</sup> PFM-RS, p. 1.

<sup>102</sup> PFM-RS, p. 1.

<sup>103</sup> Asian Development Bank, “Islamic Republic of Pakistan: COVID-19 Active Response and Expenditure Support Programme—Supplement on Public Financial Management Systems in Pakistan,” June 2020 (<https://www.adb.org/sites/default/files/linked-documents/54193-001-sd-04.pdf>).

<sup>104</sup> Irrigation and forestry are organised around command areas and ranges, respectively, which do not follow the boundaries of administrative unit such as civil divisions, districts, tehsils, union councils and revenue villages.



provincial Communication and Works Department, which also implements the infrastructure projects of other departments. They are handed over to other departments or beneficiary communities (for small schemes) for operation and maintenance.

The expedient of providing discretionary allocations to legislators outside the planning and development process has become an established precedent that has been followed by all provincial and federal governments since 1985. It has also become an incentive for legislators to oppose empowered local government, which would have responsibility for many or most of the projects funded through legislators if circumstances allowed. Together, elected officials from all levels, including local councillors, have an incentive to oppose community-identified, community-managed physical infrastructure (CPI, for short) that is planned and financed outside the representative institutions.

Infrastructure is not only a visible symbol of development but also a pressing need in diverse sectors, particularly in the rural areas of Balochistan that have suffered from neglect for decades. The PPAF and Rural Support Programmes (RSPs) are the largest organisers of CPI schemes in the province and across the country. The RSPs (described below) support CPI schemes within a holistic approach that revolves around social mobilisation, income generation and poverty reduction, and motivates demand articulation for public (including social sector) services. In their structure and approach, the RSPs are not non-governmental or civil society organisations, in the sense these terms are commonly understood. They are **independent support mechanisms** that work closely with the government but are independent of the government.<sup>105</sup>

Federal and provincial governments have endorsed this model over the decades at the policy and operational levels and provided financial and technical support to RSP-implemented initiatives. The RSPs work with the government to do what state institutions cannot do: they identify and organise poor households, and lift them out of poverty with a household-focused approach. The administrative and elected institutions of the state do not have the capacity to perform this role: they cannot engage the poor in planning, implementing and monitoring their own development agenda, as they cannot reach each and every household in a community.

The household-focused approach has been operationalised through pro-poor interventions for poverty graduation that have been tested in Pakistan and other countries for more than 15 years and replicated globally.<sup>106</sup> The RSPs work with pro-poor interventions that have been tried, tested and scaled up in Pakistan since 2007 with assistance from the Aga Khan Foundation, Australia, the EU, Germany, the International Fund for Agricultural Development (IFAD), Italy, the United Kingdom, United Nations Children's Fund, the World Bank, and the Governments of Azad Jammu and Kashmir, Balochistan, Khyber Pakhtunkhwa, Punjab and Sindh. The way this approach has been extended to BRACE is described below in the section on community institutions.

### 3.2. Line Departments and Civil Administration

There is a well-established system in Pakistan in which planning and resource allocation are top-down processes, implementation takes place at the operational levels in the districts, and progress reporting is bottom-up from the operational levels. In this system, district heads of department report to their departments' officials in the provincial government, as they are provincial government employees. The Local Government and Rural Development Department (LG&RDD) is also a provincial department, staffed, managed and financed by the provincial government. The civil administration, headed by the deputy commissioner at the district level, also reports to the provincial government and may be involved in coordinating development activities, as and when directed by the provincial government. There are no independent local authorities in the districts: there are only locally-based officials of provincial and federal authorities.

Each line department has an annual development budget and an annual recurrent budget. The recurrent budget is supposed to cater for the operation, maintenance and repair of physical facilities and provide services and supplies for the routine functions of the department. The development budget consists of projects, each of which has its own scope and timeline. Line departments are organised vertically and each department approves an annual budget and set of targets for its district-level operations. There is no bottom-up planning for development in Pakistan, and there is no concept of

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<sup>105</sup> The BRSP and NRSP boards of directors include senior government officials from the provincial and federal government, respectively, on an *ex officio* basis (by virtue of their positions in government).

<sup>106</sup> A brief overview of international experience can be found in "The Ultra Poor Graduation Approach" by Innovations for Poverty Action (<https://www.poverty-action.org/impact/ultra-poor-graduation-model>). This describes the origins, interventions, cost effectiveness and impact and of the graduation approach.

inter-departmental plans at the district, tehsil or union council level. Local community involvement in planning is constrained by government rules and procedures, and that promoted by the RSPs through BRACE is, at best, informal and generally ignored.

The situation in most of the line departments in Balochistan is that the recurrent budget for routine functions that must be undertaken in the field (outside offices) is almost non-existent; only donor-assisted projects provide adequate funds for operational expenses. This leaves the frontline functionaries of the state—those who are located in the field for performing their routine functions—without the means to deliver services and supplies to the people who need and expect them. For example, basic health units cannot provide medicines and hygienic conditions, agriculture specialists cannot demonstrate new technologies or deal with pests and diseases, livestock staff do not have vaccines and cold chains, and so on.

Faced with constraints such as these, the frontline functionaries of the state are disempowered from performing their functions. Thus, service delivery is limited to those who can visit government offices to obtain the services they need (for example, to obtain their entitlements) and those (the well-to-do) who have the resources for arranging travel and supplies for frontline functionaries to bring their expertise to their doorstep. While the state is the biggest repository of technical expertise in much of what is needed to address the day-to-day needs of rural people, the overwhelming majority in rural areas is deprived of the benefits this can bring them.

### 3.3. Representative Institutions

As indicated above, legislators and elected local government representatives are competitors with each other, particularly in the domain of physical infrastructure development. This has been an enduring institutional problem in Pakistan since 1985, with roots going back to the first military government (1958-1969), which shows no sign of resolution:

Constitutionally ... [local governments] are merely an extended arm of a provincial government. Local and provincial politicians vie for the same political space, creating strong and unwarranted frictions between the two levels, with constitutional ambiguity about their status putting local politicians at a considerable disadvantage. As such, local governments have thrived solely under military governments, which have sought to strengthen this tier largely to achieve political legitimacy. Under democratic governments, local governments have either ceased to exist or had their powers and functions greatly curtailed.<sup>107</sup>

Allocations for legislators and local councillors are made on a partisan basis. The provincial government allocates funds to national and provincial legislators and local councillors who belong to its own party (or parties). The federal government does the same for national and provincial legislators from its own party (or parties) through a programme launched in 2016, (misleadingly) called the Prime Minister's SDG Achievement Programme,<sup>108</sup> in which projects are identified by ruling party legislators for their constituencies. Under the previous government, there was an allocation of PKR 30 billion for the fiscal year 2017-18 and funds were earmarked for key constituencies leading up to the 2018 elections.<sup>109</sup> Under the present government, the 2018-19 allocation for the programme was PKR 24 billion, diverted from funds earmarked for CPEC and other initiatives.<sup>110</sup>

Not surprisingly in view of international perspectives, the Balochistan SDG Framework acknowledges that successful implementation of the SDGs would depend on a leading role for local governments, something that is also recognised by the other provinces.<sup>111</sup> Like other provinces, however, Balochistan's SDG Framework does not consider local governments to be appropriate for this purpose under the prevailing circumstances. It acknowledges that: (a) people do not have confidence in local governments; (b) local governments do not have the required capacity; and, (c) the provincial government does not engage local governments.<sup>112</sup> Thus, there are very few SDG targets (and none

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<sup>107</sup> CDPR, *op. cit.*, p. 40.

<sup>108</sup> According to an informed official, the programme's name was suggested by an aide to a former prime minister in 2016 to get around the Supreme Court ruling against discretionary allocations to legislators.

<sup>109</sup> Shahzad Paracha, "Rs 2,526 million released under PM's SDG programme," *Pakistan Today*, 25 October 2017 (<https://profit.pakistantoday.com.pk/2017/10/25/rs2526-million-released-under-pms-sdg-program/>).

<sup>110</sup> Tariq Butt, "Rs 24 bn allocation for MPs' uplift schemes 'illegal,'" *The News* (daily), 8 March 2019 (<https://www.thenews.com.pk/print/440992-rs24-bn-allocation-for-mps-uplift-schemes-illegal>).

<sup>111</sup> This is reflected in various SDG-related documents of KP, Punjab and Sindh.

<sup>112</sup> "Balochistan SDG Framework," p. 13.

among the short-term priorities listed in Table 5) in which the framework mentions the LG&RDD as the lead department or one of the stakeholders.

As indicated in the framework, the provincial government, as in other provinces, has not assigned any meaningful responsibility or resources to local governments. A large number of studies have observed that provincial governments do not want to devolve powers to local governments, which creates an insurmountable problem because the constitution of Pakistan treats local government as a provincial subject, while expecting the provinces to devolve powers through provincial legislation as required by Article 140-A and Article 37 of the constitution. The prevailing situation is summarised in the conclusions offered by a leading governance-oriented organisation in a review of the most recent experiences with local governments:<sup>113</sup>

The legal remit of each [provincial] law is limited in scope, excessively deferential to provincial governments, and devoid of any meaningful devolution of financial, political and administrative powers (as required by Article 140-A and Article 37). Each provincial law vests provincial governments with overriding authority over all tiers of elected local governments through control over funds, allocation of functions and powers, both municipal and fiscal, and stringent supervision and oversight, including the right of suspension, of elected local governments and office-bearers. Each provincial local government legislation appears to insulate the provincial government against the exercise of any power or authority by elected local governments.

These trends are associated with the provincial governments that were elected in 2018 as well those that preceded them during 2013-2018. They can be expected to prevail in the foreseeable future, as there is no sign of a supportive political economy at the provincial or federal level.<sup>114</sup> The role of the federal government in ensuring compliance with the constitutional provisions will also continue to be non-existent, as it would require a constitutional amendment to design a more assertive role, for which there is no apparent interest among the provinces or the political parties.

With regard to the role of local government in income generation, a seminal empirical assessment was undertaken as early as 1962 to review the experiences of local government institutions established by President Ayub Khan as conceptualised by his National Bureau for Reconstruction. The assessment concluded that local councils could not engage villagers for income generation. The author explained that “There is hardly any country where elected local councils directly undertake ... business operation. Three characteristics essential in making any association’s business successful are absent in these ... councils, namely, personal stake, homogeneity of interest, and continuity of managers.”<sup>115</sup> This assessment is still valid, which means that local government is irrelevant for household-based income generation and poverty reduction.

### 3.4. Independent Support Mechanisms

There is persuasive evidence from Asia, including East Asia and South Asia, about the critical importance of at least three lessons for rural development and poverty reduction. Relevant insights came, first, from a Cornell University research project in China, Japan, South Korea and Taiwan, the findings from which were published in 1982.<sup>116</sup> This is the year in which the first RSP, the Aga Khan Rural Support Programme (AKRSP), became operational in Gilgit-Baltistan. The AKRSP experience, together with several others from South Asia, fed into *Meeting The Challenge* (1992), the report of the Independent South Asian Commission on Poverty Alleviation.<sup>117</sup> This report reinforced and expanded

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<sup>113</sup> Pakistan Institute of Legislative Development And Transparency, “Comparative Analysis of Local Government Laws in Pakistan,” March 2019, p. 19 (<https://pildat.org/wp-content/uploads/2019/04/ComparativeAnalysisofLocalGovernmentLawsinPakistan.pdf?>).

<sup>114</sup> See Appendix 3 for an analytical description of the prevailing political economy.

<sup>115</sup> A. T. R. Rahman, “Basic Democracies and Rural Development” in Inayatullah (editor), *Bureaucracy and Development in Pakistan*; Pakistan Academy for Rural Development, Peshawar, 1963.

<sup>116</sup> Norman Uphoff (ed.), *Rural Development and Local Organisation in Asia: East Asia*; published by S. G. Wasani for Macmillan India, 1982.

<sup>117</sup> *Meeting The Challenge*; Kathmandu: Report of the Independent South Asian Commission on Poverty Alleviation, Secretariat of the South Asian Association for Regional Cooperation, 1992. The commission consisted of highly-regarded South Asian intellectuals, policy makers and practitioners concerned with poverty issues. Their deliberations and report assessed several case studies from South Asia, including AKRSP, that demonstrate how women, the poor and other marginalised groups can be mobilised for poverty reduction. The report was adopted by the Heads of State and Government of the South Asian Association for Regional Cooperation at their 1993 summit in Dhaka as part of what is known as the Dhaka Declaration.

upon the essential policy and operational aspects of successful rural development and poverty reduction.

The first lesson from these experiences is that it is imperative to organise rural people, especially small farmers, the landless, women and the marginalised, through inclusive farmer associations, cooperatives and community institutions of the type with which BRACE is working. This is how the United States launched rural development programmes in Japan and Taiwan after the end of the Second World War, how China did the same after the communist revolution, and how South Korea organised its own movement, called Saemaul Undong, launched in 1970.

The key insights from these experiences were adopted by AKRSP from the outset. AKRSP's experience was evaluated four times in 16 years by the independent evaluation function of the World Bank and found its way to *Meeting The Challenge* and the replication of the approach through other RSPs in Pakistan, India and Central Asia. *Meeting The Challenge* (p. 94) concluded that "The centrepiece of the strategy and the policy framework [for poverty reduction] would have to be the mobilisation of the poor themselves through their own organisations."

The second key lesson is that the mobilisation and organisation of rural people has to be undertaken by independent support mechanisms. In the four East Asian countries, this was done through institutions that were governed autonomously: central or local political institutions did not govern them directly (though in China the governance structure of the communes included political representatives). *Meeting The Challenge* (p. 94) recommended that each government should "Support, financially and administratively, the establishment of independent non-governmental ... support mechanisms to catalyse the formation of organisations of the poor ... building on the success cases on the ground [including AKRSP]."

The third critical lesson is that the state must give a long-term commitment to community institutions and independent support mechanisms and take steps to protect and facilitate them. The East Asian initiatives were supported at the highest levels of the state through top-down approaches that protected the rural people's institutions from elite capture, which is particularly important in stratified societies like Pakistan's. *Meeting The Challenge* (p. 94) recommended that each government should:

- Commit adequate financial resources on a long-term basis to these support mechanisms to enable them to provide the required services to the organisations of the poor.
- Other organisations of the State system and the banking system should be reoriented, *inter alia*, by devolving appropriate powers and responsibilities ... with the aim of providing the necessary support.

There is an additional insight from the AKRSP experience that is relevant in the context of Balochistan: the recognition that large infrastructure projects create the potential for change, but the poor and marginalised cannot benefit from them as readily as the well-to-do, which increases inequality, unless those who are left behind are also enabled to benefit. This was an important part of the rationale for launching the AKRSP in 1982: to help the region's villagers to capitalise on the potential created by the completion of the Karakoram Highway that linked Pakistan with China through the region. This was achieved by mobilising rural communities, empowering them to decide what they thought was important for their development, and providing technical and financial support for local development interventions that the communities themselves could implement and sustain. Today, the RSPs and associated community institutions provide pathways for the poor and marginalised to benefit from the new opportunities that will be created by CPEC.

Like AKRSP—and by design—BRSP and NRSP are independent support mechanisms that mobilise communities to pursue rural development and poverty reduction in partnership with the government. The provincial government has supported BRSP with an endowment of PKR 500 million and the federal government has done the same for NRSP. Both RSPs have worked extensively with government-funded and donor-assisted programmes in diverse sectors. While NRSP has focused on Kech District since the 1990s, BRSP has a presence in 28 of the 33 districts of Balochistan (including Duki, the newest one).

In terms of development priorities, the RSPs, including BRSP and NRSP, focus on:

- empowering women and rural communities;
- organising rural communities on a self-help basis;
- increasing the incomes and reducing the poverty of rural households;
- improving health, education and living conditions, mainly through linkages; and,

- linkages between organised communities and service providers, particularly the government.

Empowerment of the poor through their own organisations and decisions is central to the RSP approach. The poor are treated as partners with potential and agency<sup>118</sup>. This gives space and opportunity to women, the poor and other marginalised groups. They respond to opportunity and pursue outcomes for their wellbeing. The RSPs help them to articulate their voice, access resources and improve their lives. The RSPs offer capital for investment by the poor in what they (not the experts) think will increase their incomes. The experience is that the poor, when engaged as partners in honest discussion, look for opportunity, not handouts.<sup>119</sup> Within the resources made available, dialogue and partnership with women and the poor produces large-scale impact and lays the foundations for sustainable development.

### 3.5. Community Institutions and Poverty Reduction in the Rural Support Programmes

Social mobilisation, its community leadership and the values it embodies represent a conceptual package that is common to all RSPs.<sup>120</sup> Each RSP initiative also has its own programmatic package, which consists of interventions that are tailored to specific projects and their context. The programmatic package includes two kinds of interventions, those that are implemented directly by the RSPs, and services and supplies obtained through linkages with government and other service providers. Mobilising the poor according to the conceptual package is the job of the RSPs. Ensuring linkages for pro-poor service delivery through the public sector is the responsibility of the government. Community institutions fostered according to the conceptual package can serve as a conduit for government departments to deliver services and supplies through these institutions.

Social mobilisation is based on self-help groups that foster the inclusion of the poor and marginalised. In tangible terms, social mobilisation means organising the poor and building their skills and capital. In essence, this is a value-driven approach, one in which the poor are empowered to take the decisions that matter to them. Mobilisers and technical experts are expected to respect these decisions, not override them. Specific interventions are designed to accommodate the diversity of household and community choices, not to impose blueprints prepared by experts. Successes and failures are owned by the community.

As poverty exists at the household level, the RSPs engage poor households individually and on a large scale, which no other organisation in the country can do at present and in the foreseeable future. In order to identify poor households, the RSPs conduct a census of all the households in a given project area using the poverty score card (PSC).<sup>121</sup> The PSC is used for classifying poor and non-poor households in the following categories:

**Table 7: Classification of households based on the poverty score card**

PSC Score	Category
PSC 0-11	Extremely poor or ultra-poor
PSC 12-18	Chronically poor
PSC 19-23	Transitory poor
PSC 24-34	Transitory vulnerable
PSC 35-40	Transitory non-poor
PSC 41-100	Non-poor

<sup>118</sup> Here, agency is understood as an individual's or group's ability to make effective choices and transform those choices into desirable outcomes.

<sup>119</sup> This experience is echoed in a recent assessment of the impact of nine years of cash transfers on the recipient households' wellbeing: "[M]ost importantly, we need to give space to the poor to grow, as mere handouts would not do so. A cash transfer cannot be a substitute for opportunity. Exclusion from opportunity is the biggest reason for people staying poor" (Durr-e-Nayab and Shujaat Farooq, "Unconditional Cash Transfer and Poverty Alleviation in Pakistan: BISP's Impact on Households' Socioeconomic Wellbeing," Pakistan Institute of Development Economics, Policy Viewpoint No. 18, 2020; <https://www.pide.org.pk/pdf/Policy-Viewpoint-18.pdf>).

<sup>120</sup> This section elaborates on the community-led approach described in the BRACE Action Document.

<sup>121</sup> This is a tested and cost-effective tool. It is used as a matter of routine by the Benazir Income Support Programme (the national social safety net programme), PPAF, IFAD and the RSPs. The categories identified with the help of this tool are consistent with the classification of the population used by government organisations such as the Planning Commission of Pakistan (see, for example, the "National Poverty Report 2015-16," p. 10 ([https://www.pc.gov.pk/uploads/report/National\\_Poverty\\_Report\\_2015-16\\_12-07-18\(Formatted\\_by\\_JACC\)1.pdf](https://www.pc.gov.pk/uploads/report/National_Poverty_Report_2015-16_12-07-18(Formatted_by_JACC)1.pdf)) published by the Ministry of Planning, Development and Reform (now the Ministry of Planning, Development and Special Initiatives).

The next step is to organise communities, ensuring that all the poor households as well as a substantial portion of the non-poor are organised.<sup>122</sup> The RSPs foster organisations of the poor at three levels. The primary tier consists of community organisations (COs), which are self-help groups of 15-25 members each covering a small settlement (called *killi* in Balochistan) or a hamlet of a larger village. A large proportion of the COs are women's organisations, with membership drawn from the poor and poorest households. The CO focuses on poverty reduction interventions for individual households as well as small community-level schemes at the hamlet level.

Then there is the village organisation (VO), a federation of COs intended for planning and coordination at the village level. The VO membership (general body) consists of two members (preferably the president and manager) from each CO. The key function of the VO is to implement village level activities, including community-identified community physical infrastructure such as drinking water, irrigation and link road projects. Many VOs have also managed to benefit from linkages with various government departments and non-governmental organisations.

The third tier is at the union council level and called the local support organisation (LSO), which is a federation of all the VOs in the union council. The membership (general body) of the VO is expected to include at least two members from each VO. The key function of the LSO is coordination and implementation of development activities at the union council level, establishing linkages with government and other organisations, and providing guidance and support to VOs and COs. The LSO is also responsible for managing a grant, which it receives from the RSP and serves as a revolving fund for the poor to invest in the opportunities they identify for income generation.

Community leaders selected by the villagers play a key role at all these levels. To start with, every CO identifies two honest and sincere individuals to serve the community on a voluntary basis as the president and the manager. Those among them who stand out for their skills and service to the community are selected by their peers to leadership positions in the VO and LSO. The RSPs train all these leaders in social mobilisation, planning and implementing development activities, engaging government and non-government service providers, and promoting accountability to the community.

The way the RSPs approach the communities is different from most other organisations: they avoid imposing their decisions on the poor. While some look to distant statistical evidence and others to mapping and socio-economic research, the RSPs employ household-based consultation for identifying opportunities. This is the micro investment plan (MIP) process. It engages each and every member of a CO to decide how s/he will increase household income by pursuing an opportunity that s/he herself can manage. S/he decides this in consultation with the household, other CO members and RSP field staff.

The MIP, in essence, is a conversation with an open mind in a village setting. A poor household is asked if they can do something to increase their income and lift themselves out of poverty. Their answer, invariably, is in the affirmative. They are asked how they could do this. They explain what they have in mind. They are asked what they need to make it happen. Their need is capital, a small amount of money, something like PKR 15,000 to 20,000 in recent experience. They are advised to consult their family and CO members to make sure that what they have in mind makes sense.

The experience from across the country is that the poor, when engaged through the MIP, find dozens of diverse opportunities for investment, even in a small project area. For example, 92,000 beneficiaries in eight districts of Sindh covered by the RSPs found 64 different ways of increasing their incomes. The preference for livestock was greater in the districts where the proportion of poor households owning goats and cattle is higher. Enterprise was more favoured in districts that straddle arterial roads, which enhance the demand for services.

Findings such as these show that the MIP process reflects diversity across districts and households and engages the agency of the poor: it is not a blueprint or a preconceived one-size-fits-all approach. Indeed, an alternative process or research method that can improve upon the choices made by hundreds of thousands of poor households has not been identified so far. It is not surprising, therefore, that the process followed by the RSPs and the decisions made by the poor combine to generate widespread impact on poverty reduction.

Several impact assessment studies in Pakistan have estimated poverty graduation in projects implemented across the four provinces of the country and supported by government, IFAD, the EU

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<sup>122</sup> Wherever resources are available, RSPs aim to organise 70 percent of every community located in a project area.

other donors and the PPAF. Six RSP-implemented projects in KP, Punjab and Sindh have reported impact assessments using the PSC measure. Social mobilisation, asset transfer and training were common to all six projects, with other interventions listed with the findings in Appendix 4. The sample size used in the before-and-after comparisons of PSC scores varied from 230 to 10,941 households. The main findings (refer to Appendix 4) are:

- In five of the projects, the entire sample was in the PSC 0-23 category before the intervention and in one project 90 percent of the sample was in this range. After the intervention, 45 to 55 percent of these households had graduated above PSC 23 in four of the six projects.
- Among the poorest (PSC 0-11), 20 to 72 percent of the households had graduated to higher levels in five of the six projects.

These findings on impact are consistent with international evidence from a wide range of countries. An experienced researcher has observed that a large body of work on asset transfer programmes shows internal rates of return of 10-20 percent per year, which is high for development programmes.<sup>123</sup> Randomised evaluations that followed 21,000 people in six countries (including Pakistan) over three years found that programmes revolving around asset transfers generated consistently impressive impacts across multiple settings.<sup>124</sup> It concluded that:

- The cost-effectiveness of the programme was high, with annual household income gains of 7-25 percent.
- Return on investment on per household cost ranged from 133 percent to 433 percent.

### **3.6. Community Institutions and Related Interventions in BRACE**

Activities for which BRACE engages the three tiers of community institutions mentioned above are central to BRACE and described in its Action Document (see Appendix 5, where relevant sections of the AD have been reproduced). They are grouped under four of the five expected results (ERs, or outputs) of strategic objective (SO) 1 of the AD. SO1 aims “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.” ER1 contributes directly to SO1 and also through ERs 2, 3 and 4. The contributions of ER1 through other ERs are described below and also reflected in the intervention logic document prepared for this assignment.

The conceptual package of the RSPs, described above, is reflected in ER1 of SO1. ER1 also includes inter-departmental Joint District Development Committees (JDDCs) that include community representatives and are expected to: (a) institutionalise and sustain the bottom-up community-led development processes into the mainstream formal development planning and budgeting processes; and, (b) serve as a forum to plan, implement and monitor local development plans. This is linked to participatory spatial development planning in ER2, which is anticipated to take place at the village and union council levels and be reflected in district plans and the provincial Annual Development Planning process.

This, in turn, is expected under ER3 to lead to improved access of communities to quality public services and community infrastructure and productive assets, implemented and maintained jointly with local authorities. The AD says that activities envisaged under ER3 “will be undertaken by the community institutions in collaboration with public services” and the “implementing partners [will] play a catalytic/facilitation role”. ER2 and ER3 focus on public goods provided by government departments, which is why the implementing partners have a limited role in bringing about the expected results.

In ER4, however, the implementing partners have a leading role and the interventions mentioned here are household-focused and aligned with the standard RSP approach to income generation and poverty reduction described above. Community physical infrastructure (CPI) schemes, which are identified, implemented and managed by the communities and financed through the implementing partners, are not mentioned in ER4 and may be grouped (arbitrarily) with public sector infrastructure provision under ER3.

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<sup>123</sup> Dr Imran Rasul, quoted in Pakistan Poverty Alleviation Fund, Conference Report (p. 21), Third International Conference on Research and Learning, Islamabad, 30-31 October 2019 ([http://www.ppaf.org.pk/ICRL/3rd%20ICRL\\_Conference%20Report.pdf](http://www.ppaf.org.pk/ICRL/3rd%20ICRL_Conference%20Report.pdf)).

<sup>124</sup> A brief overview of international experience can be found in “The Ultra Poor Graduation Approach” by Innovations for Poverty Action (<https://www.poverty-action.org/impact/ultra-poor-graduation-model>). This describes the origins, interventions, cost effectiveness and impact and of the graduation approach.

However, BRACE has dedicated resources and specific targets for CPIs but not for public sector infrastructure.

CPIs are public goods and their beneficiaries typically include the poor as well as the non-poor. The implementing partners also have household-focused interventions for income generation that are limited to poor households. These are: (a) income-generating grants (IGGs) and the revolving community investment fund (CIF) for the poor in the PSC0-23 band to invest in opportunities for increasing their incomes; and, (b) technical and vocational education and training (TVET) for individuals from households in the PSC 0-23 band. In addition, there is provision for adult literacy and numeracy training for women and assistance for persons with disability (PWD) who are not necessarily from poor (PSC 0-23) households. The end-of-project targets for these interventions and CPIs are shown in Table 8 (with detail in Appendix 6) and related to the extent of coverage in the relevant target group.

**Table 8: Extent of coverage of BRACE interventions**

Target Group	Interventions and End-of-project Targets					
	IGGs	CIF	TVET	Literacy and Numeracy	PWDs Assisted	CPIs
Target Number of Poor Households	13,182	28,400	3,098			
▫ as percent of poor households <sup>a</sup>	7%	15%	2%			
Target Number of Women to be Trained				10,720		
▫ as percent of organised households <sup>b</sup>				4%		
Target Number of PWDs to be Assisted					4,612	
▫ as percent of organised households <sup>b</sup>					2%	
Target Number of CPI Beneficiary Households						17,660
▫ as percent of organised households <sup>b</sup>						6%

**Notes**

<sup>a</sup> Number of poor households in the PSC 0-23 band is 190,091, which is 53 percent of all households counted in the PSC survey of 2017-18 and 65 percent of the organised households.

<sup>b</sup> Number of organised households is 294,713, which is 83 percent of all households (356,759) counted in the PSC survey of 2017-18.

The extent of coverage for various interventions can be seen from Table 8 and highlights the planned achievements of BRACE as well as its lack of resources for meeting the needs of the poor and organised populations in the programme area. The coverage of the three main income-generating interventions (IGGs, CIF and TVET) extends to 24 percent (44,680) of the poor households. This could be slightly understated (by perhaps 2 or 3 percentage points) if some of the individuals receiving literacy and numeracy training and assistance for PWDs are also from the PSC 0-23 category.

This indicates that the resources required for covering all the poor households identified in 2017-18 would be 4-5 times the allocation for the three interventions. Considering the increase in population by 2022 and the large increases in the incidence of poverty and extreme poverty due to the COVID-19 pandemic (mentioned above), the requirement would be at least 6-8 times the currently available resources. For CPIs, which are expected to cover 6 percent of the organised households by 2022, something in the order of 16-17 times the amount allocated under BRACE would be required for covering infrastructure needs of all the organised households.

Increasing poverty levels due to the pandemic and the ongoing macroeconomic stabilisation programme constitute one of the two main challenges for BRACE to meet its objective of reducing poverty. The second challenge, which has become increasingly more stressful since 2018, has emerged from the raft of regulations affecting the registration, banking and basic operations of community institutions. These regulations originate in global anti-money laundering (AML) and countering the financing of terrorism (CFT) efforts. In different jurisdictions of the country, these regulations as well as other domestic factors have led to responses in the form of new federal and provincial statutes that have adversely affected the operations of the non-profit sector, including, BRSP, NRSP, RSPN and the community institutions in BRACE.

While necessary, the AML/CFT regulations could have a particularly debilitating effect on the COs, which are the primary tier of community participation where the poor plan their responses for getting out of poverty (Table 9). Overall, the new regulatory requirements will have a strong adverse impact on the large number of COs and VOs, as they cannot be capacitated to meet these requirements. By way



of mitigation, the financial and managerial capacity of LSOs will have to be strengthened and steps taken to ensure transparency, accountability and risk management. Considering their exposure, the RSPs will also need to strengthen their risk management.

**Table 9: Effects of recent regulations on community institutions in BRACE**

Institution and Intervention	Implications of Banking Regulations/Requirements	Implications of Balochistan Charities Act 2019 <sup>125</sup>	Implications of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)
CO	COs are unable to open bank accounts. Consequently, financial activities are being managed at the LSO level.	COs and VO are unable to meet the stringent registration requirements, so they are unable to open bank accounts in which they can deposit their community savings, contributions for CPI construction and operation and maintenance, gifts from local philanthropists, and grants from development organisations.	Not applicable.
VO	Even VOs find it very difficult to open bank accounts. Consequently, financial activities are being managed at the LSO level.		
LSO		LSOs have the capacity to meet the registration requirements. They will have to manage CO/VO community savings, contributions for CPI construction and operation and maintenance, gifts from local philanthropists, and grants from development organisations.	RSPs and LSOs have to check executive body members and bank account signatories against the list of proscribed persons and entities.
Tehsil/district network	They do not need bank accounts.	Not applicable.	Not applicable.
Managing CIF, IGGs and payments to CRPs		The RSPs are helping the LSOs to get themselves registered under the Charities Act (by 30.12.2020, in the case of NRSP). Existing registration under the repealed laws will continue until the LSOs are registered under the Act. <sup>126</sup>	RSPs and LSOs have to check beneficiaries against the list of proscribed persons and entities.
Managing CPIs			LSOs have to check beneficiaries and suppliers of goods and services against the list of proscribed persons and entities.

#### 4. EUROPEAN UNION POLICIES AND PRIORITIES

##### 4.1. The European Consensus on Development 2017

The EU, for the first time, “announced a comprehensive common framework for European development cooperation [that] applies in its entirety to all European Union Institutions and all Member States”.<sup>127</sup> Published in 2017, it is called the new European Consensus on Development. The new Consensus strongly reaffirms that poverty eradication remains the primary objective of European development policy. It fully integrates the economic, social and environmental dimensions of sustainable

<sup>125</sup> This is The Balochistan Charities (Registration, Regulation and Facilitation) Act of 2019 ([https://bcra.gob.pk/system/files/The%20Balochistan%20Charities%20\(Registration%2C%20Regulation%20and%20Facilitation\)ACT%20No.XI%20OF%202019\\_0.pdf](https://bcra.gob.pk/system/files/The%20Balochistan%20Charities%20(Registration%2C%20Regulation%20and%20Facilitation)ACT%20No.XI%20OF%202019_0.pdf)).

<sup>126</sup> The laws repealed by virtue of the new act are the Societies Registration Act, 1860, and the Voluntary Social Welfare Agencies Ordinance, 1961. The act says, “every Charity existing immediately before the commencement of this Act, which was registered under the repealed ordinances, shall be deemed to be registered under this Act and its constitution shall continue in force until registered afresh under section 4 of this Act.”

<sup>127</sup> Information in this paragraph is taken from “The new European Consensus on Development—EU and Member States sign joint strategy to eradicate poverty” (<https://www.consilium.europa.eu/en/press/press-releases/2017/06/07/joint-strategy-european-consensus-development/#:~:text=The%20new%20European%20Consensus%20on%20Development%20constitutes%20a,framework%20for%20European%20development%20cooperation.&text=In%20doing%20so%2C%20it%20aligns,for%20the%20EU%20Global%20Strategy>).

development. In doing so, it aligns European development action with the 2030 Agenda for Sustainable Development which is also a cross-cutting dimension for the EU Global Strategy.

The Consensus document starts by referring to the 2030 Agenda, calling it “a transformative political framework to eradicate poverty and achieve sustainable development globally”, and recalling that the Agenda aims to leave no one behind.<sup>128</sup> It calls for “a comprehensive and strategic approach, integrating in a balanced and coherent manner the three dimensions of sustainable development [economic, social and environmental], and addressing the interlinkages between the different SDGs as well as the broader impacts of their domestic actions at international and global level” (paragraph 7).

The Consensus also lays down the principles and values guiding its development action (paragraphs 13-18):

- Principles of EU external action: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.
- Political dialogue is an important way to advance development principles and also has a preventive dimension, aiming to ensure that EU values are upheld.
- Gender equality is at the core of the EU’s values and is enshrined in its legal and political framework.
- The EU and its Member States will implement a rights-based approach to development cooperation, encompassing all human rights. They will promote inclusion and participation, non-discrimination, equality and equity, transparency and accountability. The EU and its Member States will continue to play a key role in ensuring that no-one is left behind.
- The EU and its Member States value the participation of civil society organisations (CSOs) in development and encourage all parts of society to actively engage.
- Development effectiveness is fundamental for achieving the SDGs and should underpin all forms of development cooperation.

Part 2, the Framework for Action part of the Consensus (paragraphs 19-71), provides details about the EU’s approaches to a large number of SDGs and issues of particular importance to the EU that span political, economic, social, environmental and humanitarian concerns at the country and global levels. Part 3 (paragraphs 72-97) is about partnerships and speaks to engagement with diverse stakeholders and reaching the vulnerable and marginalised. It also described operational and financial modalities for action.

Part 4 (paragraphs 98-116) aims at strengthening approaches to improve the EU’s impact, including sound policy, additional resources, targeted and strategic use of assistance, inclusive growth, and the use of science, technology and innovation. Part 5 (paragraphs 117-123) provides direction for a comprehensive, transparent and accountable system of monitoring and review for the purpose of the implementation of the 2030 Agenda.

#### **4.2. Multi-annual Indicative Programme 2014-2020**

The 2014-2020 European Union-Pakistan Multi-annual Indicative Programme envisages funding interventions in certain key sectors: rural development; education; and, good governance, human rights and rule of law. It elaborates that the value added and impact of the EU’s support in rural development would be further increased by focusing on “more fragile and underserved areas and communities that are unlikely to benefit from mainstream development because of structural lack of access to basic services, growth and employment opportunities, including because of their exposure to natural disasters or insurgency and terrorism, for example, the marginalised mountainous areas of Khyber Pakhtunkhwa, FATA and Balochistan and semi-desert districts of inner Sindh and South Punjab.”

The rural development programme aims to promote full integration of structurally poor and backward regions into the mainstream national development agenda of Pakistan by enhancing opportunities for economic growth and sustainable livelihoods in rural areas. The support aims at widening access to basic public services, reducing social and economic inequality between households and communities, improving resilience and increasing income generating activities, and contributes to peace building

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<sup>128</sup> “The New European Consensus on Development: ‘Our World, Our Dignity, Our Future’. Joint Statement by the Council and the Representatives of the Governments of the Member States Meeting within the Council, the European Parliament and the European Commission,” p. 3 ([https://www.consilium.europa.eu/media/24004/european-consensus-on-development-2-june-2017-clean\\_final.pdf](https://www.consilium.europa.eu/media/24004/european-consensus-on-development-2-june-2017-clean_final.pdf)).

and consolidation of political stability in insurgency-affected areas.

The country-level specific objectives in rural development are to:

- Reinforce the performance of local government structures through support for administrative decentralisation, improvement of investment in public infrastructure in rural areas and promotion of community participation in the delivery of basic services;
- Improve rural livelihoods by creating employment opportunities through facilitation of small and medium-sized enterprises development and investment in renewable energy systems;
- Augment the nutritional status of women and children in rural areas and households affected by severe under-nutrition.

The expected results are:

- More effective organisational and administrative capacity including appropriate fiscal instruments for district and local Government bodies, to improve delivery of basic services and respond better to community driven demands for public investments.
- Increased investments in rural infrastructure, renewable energy, efficient irrigation and water conservation techniques, and disaster risk reduction.
- Creating opportunities in rural areas to improve livelihoods and to obtain more and better jobs.
- Reduction of undernutrition and micronutrient-deficiencies under Pakistan conditions developed and tested at district and provincial scale.

Activities under this focal sector will preferably be implemented through a sector-based approach, if feasible through sector budget support (described below) in combination with capacity development. Larger investments in renewable energy, water and flood management systems will be promoted through blending (Asian Investment Fund (AIF)) as already being successfully used in joint projects in the energy sector by the European Investment Bank, Germany and France, taking into account debt sustainability and debt management capabilities. Social mobilisation and involvement of civil society will be supported through grants.

#### **4.3. Objectives and Forms of Budget Support**

EU budget support is provided to address key development challenges including:<sup>129</sup>

- improving public finance management, macroeconomic stability, sustainable inclusive growth and the fight against corruption and fraud;
- promoting sector reforms and improving sector service delivery;
- state building in fragile states, and addressing the specific development challenges of small island development states (SIDS) and overseas countries and territories (OCTs);
- improving domestic revenue mobilisation and reducing dependency on aid; and,
- Promoting human rights, democratic values and peaceful societies.

To respond to those challenges, the European Commission provides three forms of budget support:

- Sustainable Development Goals contracts to support national policies and progress towards SDGs;
- sector reform performance contracts to address sector reforms and improve service delivery; and,
- state and resilience building contracts to assist countries in fragile and transition situations.

All three forms of budget support are subject to the following four eligibility criteria that apply to:

- national/sector policies and reforms;
- stable macro-economic framework (including domestic revenue mobilisation);
- public financial management (including domestic revenue mobilisation); and,
- transparency and oversight of the budget.

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<sup>129</sup> This section is reproduced from the EU's "Budget Support, Public Finance and Domestic Revenue" (<https://myintracomm.ec.europa.eu/dg/devco/eu-development-policy/budget-support-public-finance-domestic-revenue/Pages/index.aspx>). Comprehensive guidelines are available in the European Commission publication "Budget Support Guidelines" of September 2017 ([https://ec.europa.eu/international-partnerships/system/files/budget-support-guidelines-2017\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/budget-support-guidelines-2017_en.pdf)).

**Appendix 1: Population of Balochistan, by District, 2017 and 2022 (Projected)**

Division	No.	District	Data from the 2017 Population Census						Projections for 2022 <sup>a</sup>			Share in Rural Population
			Number of Households		Population		Household Size		Overall Population	Rural Areas		
			Total	Rural	Total	Rural	Overall	Rural		Population	Households	
Kalat	1	Awaran	18,094	13,881	121,680	87,436	6.7	6.3	122,595	85,960	13,647	0.8%
	2	Kalat	55,497	45,654	412,232	339,774	7.4	7.4	476,268	388,377	52,185	3.6%
	3	Kharan	24,035	18,370	156,152	111,497	6.5	6.1	177,017	126,395	20,825	1.2%
	4	Khuzdar	120,405	81,296	802,207	525,071	6.7	6.5	952,310	614,932	95,209	5.7%
	5	Lasbela	93,165	53,904	574,292	295,048	6.2	5.5	673,555	333,006	60,839	3.1%
	6	Mastung	38,801	33,781	266,461	231,332	6.9	6.8	309,502	271,053	39,581	2.5%
	7	Washuk	31,540	27,517	176,206	154,334	5.6	5.6	199,361	176,411	31,453	1.6%
Makran	8	Gwadar	39,922	17,275	263,514	101,915	6.6	5.9	288,950	106,796	18,102	1.0%
	9	Kech	138,403	91,658	909,116	606,980	6.6	6.6	1,118,364	727,894	109,917	6.7%
	10	Panjgur	42,628	31,590	316,385	236,061	7.4	7.5	342,519	247,366	33,103	2.3%
Nasirabad	11	Jaffarabad	79,273	56,023	513,813	355,808	6.5	6.4	596,229	406,705	64,037	3.7%
	12	Jhal Magsi	25,047	23,791	149,225	141,400	6.0	5.9	161,710	154,137	25,934	1.4%
	13	Kachhi	30,140	25,868	237,030	202,598	7.9	7.8	248,013	211,461	27,000	1.9%
	14	Nasirabad	66,681	53,999	490,538	393,947	7.4	7.3	587,973	466,080	63,886	4.3%
	15	Sohbatpur	30,523	28,359	200,538	187,671	6.6	6.6	219,787	205,281	31,020	1.9%
Quetta	16	Chagai	31,081	29,060	226,008	209,689	7.3	7.2	276,696	259,938	36,024	2.4%
	17	Killa Abdullah	97,210	77,919	757,578	608,236	7.8	7.8	920,381	740,724	94,892	6.8%
	18	Nushki	22,662	17,023	178,796	132,410	7.9	7.8	209,395	154,246	19,830	1.4%
	19	Pishin	128,080	102,304	736,481	593,339	5.8	5.8	878,094	694,210	119,696	6.4%
	20	Quetta	276,711	148,093	2,275,699	1,274,494	8.2	8.6	3,021,056	2,048,856	238,072	18.8%
Sibi	21	Dera Bugti	46,585	32,312	312,603	213,302	6.7	6.6	360,637	239,454	36,274	2.2%
	22	Harnai	17,353	13,031	97,017	72,463	5.6	5.6	103,183	75,933	13,655	0.7%
	23	Kohlu	26,827	24,676	214,350	196,924	8.0	8.0	261,920	241,785	30,297	2.2%
	24	Lehri	18,651	16,143	118,046	101,438	6.3	6.3	127,294	109,278	17,391	1.0%
	25	Sibi	20,228	11,278	135,572	71,145	6.7	6.3	145,403	76,004	12,048	0.7%
	26	Ziarat	28,999	28,308	160,422	157,016	5.5	5.5	192,101	187,388	33,784	1.7%
Zhub	27	Barkhan	26,041	24,347	171,556	159,380	6.6	6.5	195,906	182,090	27,816	1.7%
	28	Killa Saifullah	53,478	43,574	342,814	280,071	6.4	6.4	398,381	320,134	49,807	2.9%
	29	Loralai <sup>b</sup>	55,876	47,143	397,400	332,462	7.1	7.1	448,745	372,677	52,845	3.4%
	30	Musakhel	24,826	22,728	167,017	152,879	6.7	6.7	176,931	162,034	24,089	1.5%
	31	Sherani	21,213	21,213	153,116	153,116	7.2	7.2	180,540	180,540	25,012	1.7%
	32	Zhub	45,962	39,094	310,544	264,296	6.8	6.8	351,695	306,838	45,387	2.8%
<b>Balochistan</b>			<b>1,775,937</b>	<b>1,301,212</b>	<b>12,344,408</b>	<b>8,943,532</b>	<b>7.0</b>	<b>6.9</b>	<b>14,722,509</b>	<b>10,873,984</b>	<b>1,563,657</b>	<b>100.0%</b>
<b>BRACE Districts</b>			<b>642,523</b>	<b>490,722</b>	<b>4,238,757</b>	<b>3,226,118</b>	<b>6.5</b>	<b>6.5</b>	<b>5,030,660</b>	<b>3,787,823</b>	<b>575,333</b>	<b>35%</b>

Notes:

<sup>a</sup> The intercensal growth rate for 1998 to 2017 for the rural and urban areas of each district was used to project the 2022 population for these areas, which was added up across districts to arrive at the rural and total population of the province.

<sup>b</sup> Loralai District was split into two, Loralai and Duki Districts, in 2017.

Source: Government of Pakistan, Pakistan Bureau of Statistics, “Province-wise Provisional Results of Census—2017” ([http://www.pbs.gov.pk/sites/default/files/PAKISTAN%20TEHSIL%20WISE%20FOR%20WEB%20CENSUS\\_2017.pdf](http://www.pbs.gov.pk/sites/default/files/PAKISTAN%20TEHSIL%20WISE%20FOR%20WEB%20CENSUS_2017.pdf)) for 2017, and projections for 2022.

**Appendix 2: Balochistan Public Sector Development Programme Allocations, by Sector, 2014-15 to 2019-20**

Sector	Percentage Allocation by Sector in Fiscal Year:					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Top 8 Sectors and Other Schemes</b>						
Communication	19.62	19.91	13.50	19.69	22.88	22.76
Education	23.13	18.71	9.34	10.65	14.11	11.73
Water	6.96	5.43	5.58	8.53	9.98	8.41
Public Health Engineering	9.01	8.49	21.43	7.87	9.80	11.30
Health	8.64	7.04	5.09	7.10	8.41	7.59
Physical Planning and Housing	6.50	5.36	3.56	7.21	6.65	5.33
Agriculture	6.88	7.71	5.10	5.71	4.36	3.25
Power	6.57	6.54	3.51	2.39	3.10	2.41
<b>Total for 8 sectors</b>	<b>87.31</b>	<b>79.19</b>	<b>67.11</b>	<b>69.15</b>	<b>79.29</b>	<b>72.78</b>
Other Schemes	3.96	4.78	27.29	17.75	1.58	11.79
<b>Total for 8 Sectors and Other Schemes</b>	<b>91.27</b>	<b>83.97</b>	<b>94.40</b>	<b>86.90</b>	<b>80.87</b>	<b>84.57</b>
<b>Social Sectors</b>						
Education	23.13	18.71	9.34	10.65	14.11	11.73
Public Health Engineering	9.01	8.49	21.43	7.87	9.80	11.30
Health	8.64	7.04	5.09	7.10	8.41	7.59
Social Welfare	0.39	0.17	0.34	0.65	1.67	1.51
Women Development	-	0.02	0.02	0.16	0.08	0.22
Population Welfare	-	-	-	0.16	0.06	0.18
<b>Total Social Sectors</b>	<b>41.17</b>	<b>34.43</b>	<b>36.22</b>	<b>26.59</b>	<b>34.13</b>	<b>32.53</b>
<b>Infrastructure</b>						
Communication	19.62	19.91	13.50	19.69	22.88	22.76
Physical Planning and Housing	6.50	5.36	3.56	7.21	6.65	5.33
Power	6.57	6.54	3.51	2.39	3.10	2.41
Urban Planning and Development	0.62	0.76	0.11	1.18	1.31	3.39
<b>Total Infrastructure</b>	<b>33.31</b>	<b>32.57</b>	<b>20.68</b>	<b>30.47</b>	<b>33.94</b>	<b>33.89</b>
<b>Agriculture and Natural Resources</b>						
Agriculture	6.88	7.71	5.10	5.71	4.36	3.25
Water (Irrigation)	6.96	5.43	5.58	8.53	9.98	8.41
Livestock	0.56	0.70	0.28	0.67	0.61	0.67
Forestry	0.24	0.11	0.17	0.46	0.41	0.67
Fisheries	0.76	0.38	0.51	0.58	0.34	0.78
<b>Total Agriculture and Natural Resources</b>	<b>15.40</b>	<b>14.33</b>	<b>11.64</b>	<b>15.95</b>	<b>15.70</b>	<b>13.78</b>
<b>Remaining 10 Sectors</b>						
Local Government	1.10	10.70	2.07	4.80	2.57	2.00
Sports	3.57	1.02	0.73	1.4	1.57	2.03
Information Technology	0.29	0.34	0.38	2	1.42	1.73
Culture	0.61	0.39	0.39	0.52	0.57	0.41
Industries	0.5	0.08	0.39	0.23	0.35	0.8
Manpower	0.29	0.28	0.08	0.16	0.24	0.29
Environment	0.4	0	0	0.01	0.13	0.09
Minerals	0.3	0.09	0.09	0.02	0.06	0.21
Food	0	0	0	0	0.03	0.16
Tourism	0.11	0	0.02	0.1	0.02	0.29
<b>Total Remaining 10 Sectors</b>	<b>7.17</b>	<b>12.90</b>	<b>4.15</b>	<b>9.24</b>	<b>6.96</b>	<b>8.01</b>

Source: Government of Balochistan, Planning and Development Department, "Public Sector Development Programme," various years.

### Appendix 3: Political Economy of Local Government

Source: Consortium for Development Policy Research (CDPR), “Pakistan’s Public Expenditure: Insights and Reflections” (pp. 40-47); Lahore, CDPR, August 2015 (<https://cdpr.org.pk/wp-content/uploads/2018/07/Raftar-Public-Expenditure-policy-report-27Aug2015.pdf>).

Pakistan’s politics is dominated by Punjab, which has more than 50 percent of the national population and, therefore, dominates the civil administration and the military. Partly for this reason, and partly because military governments have ruled the country for about as many years as have civilian governments, there have been strong centrist tendencies in Pakistan’s federal system.

While the Constitution recognises local governments (LGs) as an important component of the state, it does not grant them the status of a separate tier of government. Constitutionally, therefore, LGs are merely an extended arm of a provincial government. Local and provincial politicians vie for the same political space, creating strong and unwarranted frictions between the two levels, with constitutional ambiguity about their status putting local politicians at a considerable disadvantage. As such, local governments have thrived solely under military governments, which have sought to strengthen this tier largely to achieve political legitimacy. Under democratic governments, local governments have either ceased to exist or had their powers and functions greatly curtailed.

The strongest move towards devolution came in 2001 when the then military government devolved a large number of provincial functions, including school education and health, to the local governments, along with the customary municipal functions (i.e. water supply, sanitation, sewerage disposal, intra-city and local roads, etc.). However, as the devolution plan failed to provide a mechanism for integrating provincial and local governments, the provincial governments tried to obstruct the functioning of local government at every step of the way. The most glaring example of that was that government staff functioning in departments which were devolved to district governments continued to remain employees of the provincial government, thus giving no opportunity to improve service delivery through better human resource management. Similarly, in blatant disregard to the principles set by the devolution plan for providing fiscal resources to LGs as a single-line transfer, the actual transfers to the districts were compartmentalised into recurrent and development components, with LGs having no authority to re-appropriate funds from one component to the other. Moreover, the share of districts in development budget was much smaller than in the recurrent budget (see table). Moreover, the recurrent transfers were barely enough to pay for the wages of government employees, with negligible funds provided for operational expenditures. In short, partly due to the above mentioned (and other) hurdles, and partly because of weak governance and managerial capacity, the district governments could not achieve the results expected of them.

Composition of Expenditure (percentage)		
	Province	District
Wages	22	73
Other current	52	11
Development	26	16

With the return to power of elected governments, the 2001 devolution was largely reversed as the democratically elected governments showed no inclination to continue with the constitutional cover provided to local governments, which lapsed in December 2009. Till recently there was no attempt made by any province to hold fresh local government elections, thus giving officers of provincial government control over local functions. In addition, through new LGOs [Local Government Ordinances], all four provincial governments have moved to limit the legislative, administrative and financial powers of local governments by assigning them mainly the municipal functions.

[The] 18th Amendment failed to address two important aspects of devolved governance, which can have strong impact on the life and functioning of LGs. These are: (i) defining the roles and responsibilities for LGs, which was left for the provincial governments to decide on the basis of their own conditions and circumstances; and, (ii) providing protection to LGs from political victimisation by provincial governments.

#### Appendix 4: Poverty Graduation Impact of Six Projects Implemented during 2009 to 2019

Project and Province	Financing Partner(s)	Implementing Partner	Districts	Households in Sample		Percentage of Households by Category					Year of Observation		Main Programmatic Interventions (in addition to social mobilisation)
						PSC 0-11	PSC 12-18	PSC 19-23	PSC 0-23	PSC 24-100	Initial	Final	
UCBPRP Sindh <sup>a</sup>	Government of Sindh	SRSO	Shikarpur, Kashmor	542	Before	79	21	0	100	0	2009	2012	IGGs, CIF, TVST, MHI, CPI
					After	7	16	21	45	55			
SPPAP Punjab <sup>b</sup>	Government of Punjab and IFAD	NRSP	Bahawalnagar, Bahawalpur, Muzaffargarh, Rajanpur	705	Before	58	36	7	100	0	2009	2017	Asset creation, vocational and entrepreneurial training, CPI, agriculture and livestock development
					After	4	21	24	49	51			
PEACE KP <sup>c</sup>	European Union	SRSP	Buner, Chitral, Dir Lower, Dir Upper, Shangla, Swat, Malakand	344	Before	22	35	33	90	10	2013	2019	Asset transfer, visits, enterprise development training, basic numeracy and literacy
					After	2	23	25	50	50			
Asset Transfer Programme KP <sup>c</sup>	PPAF	SRSP	Kohistan, Shangla, Batagram, Swat, Dir Upper	600	Before	53	47	0	100	0	2015	2016	Asset transfer, need-based visits, enterprise development training
					After	23	57	19	99	1			
WEEMD KP <sup>c</sup>	Australian Government	SRSP	Peshawar, Nowshera, Charsadda	10,941	Before	43	30	27	100	0	2011	2019	CIF, value chain development, adult literacy, women's business centres, nutrition education
					After	22	15	28	55	45			
PPRP Sindh <sup>d</sup>	Government of Sindh	SRSO	Badin, Sanghar, Mirpur Khas	230	Before	24	76	0	100	0	2017-18	2019	CIF
					After	18	49	19	85	15			

#### Sources:

<sup>a</sup> "Impact Assessment of UC Based Poverty Reduction Programme (UCBPRP) Implemented by SRSO," August 2012 (p. 8), Sustainable Development Policy Institute, Islamabad.

<sup>b</sup> "Southern Punjab Poverty Alleviation Programme 2 (SPPAP2), Final Impact Survey Report," May 2018 (p. 46), International Fund for Agricultural Development, Rome.

<sup>c</sup> SRSP presentation in Tariq Husain, "Perspectives and Evidence on Poverty Graduation," RSPs Annual Strategy Retreat, November 2019 (<https://success.org.pk/wp-content/uploads/2020/02/Poverty-Graduation.pdf>).

<sup>d</sup> PPRP presentation in Husain, *op. cit.*

#### Abbreviations

CIF	community investment fund	PPAF	Pakistan Poverty Alleviation Fund
CPI	community physical infrastructure	PPRP	People's Poverty Reduction Programme
GoS	Government of Sindh	PSC	poverty score card



IFAD	International Fund for Agricultural Development	SPPAP	Southern Punjab Poverty Alleviation Programme
IGG	income generating grant	SRSO	Sindh Rural Support Organisation
KP	Khyber Pakhtunkhwa	SRSP	Sarhad Rural Support Programme
MHI	micro health insurance	TVST	technical and vocational skills training
NRSP	National Rural Support Programme	UCBPRP	Union Council Based Poverty Reduction Programme
PEACE	Programme for Economic Advancement and Community Empowerment	WEEMD	Women's Economic Empowerment and Market Development Project

## **Appendix 5: Activities and Outputs for Community Institutions in the BRACE Action Document**

These activities and outputs are described in the AD under SO/Outcome 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”). They are described under four expected results (or outputs).

### **ER/Output 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 and prioritisation, development planning, resource mobilisation, and execution, and operation and 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 and leadership, development needs assessment and prioritisation, development planning and 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’, and 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 and 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 (CRPs) 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/Output 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/Output 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 ER2. 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 and 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 and maintenance mechanisms. The aforementioned activities will be undertaken by the community institutions in collaboration with public services whereby implementing partners play a catalytic/facilitation role.

**ER/Output 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 sets 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. Determined 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.

## Appendix 6: End-of-Project Targets for the Rural Support Programmes

District	Target No. of Beneficiary Households				Target No. of Individual Beneficiaries			
	<i>CO Members</i> <sup>a</sup>	<i>CPIs</i> <sup>b</sup>	<i>IGGs</i> <sup>c</sup>	<i>CIF</i> <sup>c</sup>	<i>CPIs</i> <sup>b</sup>	<i>TVET</i> <sup>d</sup>	<i>Adult Literacy and Numeracy (Women)</i> <sup>e</sup>	<i>PWDs Assisted</i> <sup>f</sup>
Khuzdar	50,526	2,400	2,139	3,678	12,109	400	1,600	783
Washuk	18,574	600	535	919	3,321	100	400	196
Kech	46,757	5,000	1,900	9,000	24,171	988	2,280	480
Jhal Magsi	16,390	720	642	1,103	3,691	120	480	235
Killa Abdullah	43,584	2,160	1,925	3,310	14,690	360	1,440	705
Pishin	63,539	3,180	2,834	4,873	18,015	530	2,120	1,038
Loralai	30,779	2,160	1,924	3,310	12,699	360	1,440	705
Zhob	24,564	1,440	1,283	2,207	7,900	240	960	470
Total	294,713	17,660	13,182	28,400	96,596	3,098	10,720	4,612

### Notes

<sup>a</sup> BRACE aims to organise 294,713 households by 2022, which is 83 percent of the households (313,447) counted in the BRACE PSC survey of 2017-18 that was conducted by the implementing partners (BRSP and NRSP).

<sup>b</sup> The overall target for CPIs is 393, with 17,660 CPI beneficiary households (assuming 25 households per CPI, on average) and 96,596 beneficiaries.

<sup>c</sup> The IGGs and CIF are meant for the poor in the PSC 0-23 band. The PSC survey found 190,091 poor households, that is, 53 percent of all those surveyed.

<sup>d</sup> TVET is also meant for individuals from households in the PSC 0-23 band.

<sup>e</sup> Adult literacy and numeracy training is for women who may not necessarily belong to households in the PSC 0-23 band.

<sup>f</sup> Assistance for PWDs is not restricted to individuals from households in the PSC 0-23 band.

### Abbreviations

CO	community organisation
CIF	community investment fund
CPI	community physical infrastructure
IGG	income generating grant
PWD	person with disability
TVET	technical and vocational education and training