



“This wide empty wilderness

Awaits a new spring

In the dream palace of yearning

How many passions await fulfilment”

Balochistan Strategy

... a road map to inclusive socio-economic development for the province

Pakistan Poverty Alleviation Fund

The title poetry by

N. Salam – renowned poet of Balochistan

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Dedicated to

The people of Balochistan who deserve what is theirs for they have suffered as a consequence of un-kept promises, poor governance and neglect and have been prevented from achieving their true potential.

Acronyms and Abbreviations

BEEJ	Balochistan Environmental & Educational Journey
BRAC	Bangladesh Rural Advancement Committee
BRDS	Balochistan Rural Development Society
BRDRS	Balochistan Rural Development & Research Society
BRSP	Balochistan Rural Support Program
CAR	Capability Accountability Responsiveness Framework
CBO	Community Based Organization
CED	Credit and Enterprise Development
CEO	Chief Executive Officer
CO	Community Organization
CPI	Community Physical Infrastructure
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DFID	Department for International Development
EIDM	Energy, Infrastructure and Disaster Management
EITI	Extractive Industries Transparency Initiative
ESM	Environmental and Social Management
FATA	Federally Administered Tribal Areas
GDP	Gross Domestic Product
GM	General Manager
GPI	Gender Parity Indices
GoB	Government of Balochistan
GoP	Government of Pakistan
HED	Health, Education and Disability
HIES	Household Integrated Economic Survey
HDI	Human Development Index
HID	Human & Institutional Development
IDV	Integrated Development Vision
IDP	Integrated Development Plan
IUCN	International Union for the Conservation of Nature
LEP	Livelihood Enhancement and Protection
LHW	Lady Health Worker
LHV	Lady Health Visitor
M&E	Monitoring and Evaluation
MER	Monitoring, Evaluation and Research
MDGs	Millennium Development Goals
MSP	Multi-sector Plan
NGO	Non-Governmental Organization
PIDS	Participatory Integrated Development Society
PO	Partner Organization
PRSP	Poverty Reduction Strategy Paper
PSC	Poverty Scorecard
SCAD	Sindh Coastal Areas Development Program
SESA	Strategic Environmental and Social Assessment
TUC	Targeting Ultra-Poor
UC	Union Council
UK	United Kingdom
UNDP	United Nations Development Program
UNHCR	United Nations High Commissioner for Refugees
WFP	World Food Program
WWF	World Wide Fund for Nature

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Foreword

Balochistan is relatively the least developed province of Pakistan and it presents serious challenges to the writ of state. These factors provide a strong rationale for integrated development through building and strengthening local institutions as partners of development and social change. As part of its strategic focus, Pakistan Poverty Alleviation Fund (PPAF) has, therefore, formulated its regional strategy for Balochistan.

PPAF has undergone a paradigm shift in 2011, in the course of a consultative strategic review of its role and institutional approach to poverty alleviation. Intrinsic to this paradigm shift is an enhanced focus on institutional development, whereby strong and robust community level institutions need to be in place at the grassroots as they best assure the values of transparency, good governance, social inclusion, transparency and accountability. These values, PPAF believes, are major determinants of sustainable institutions, be they institutions for the poor, i.e., PPAF development partners or institutions of the poor, i.e., the community-based institutions at the grassroots level.

PPAF therefore, pledges its resources to foster well-governed, inclusive, transparent and accountable institutions of the poor, having the capacity to articulate their needs. The second important dimension of PPAF's strategy is the deepening of its outreach and ensuring outcomes and impact vis-à-vis poverty alleviation, contrary to the traditional approach of disbursement and outputs. The third critical area of the strategy is the spatial and contextual dimension of poverty, contrary to the conventional one-size-fits-all approach to poverty alleviation.

The spatial and contextual dimension of poverty, as a defined focus of the strategy, necessitates prioritization of the poorest districts and make it context specific. PPAF has, therefore, identified the poorest districts across Pakistan for its future investments. As a measure to ensure objectivity and transparency in the selection of the poorest districts, PPAF's strategy draws upon nationally and internationally recognized parameters. This analysis resulted in the selection of 29 districts of Balochistan as the priority districts. The parameters used for the analysis included the Human Development Indices, as calculated for Pakistan by Social Policy and Development Center (SPDC), Food Insecurity values as depicted by the World Food Program (WFP) and the districts identified by the Govt of Pakistan as the poorest in its Mid Term Development Framework (MTDF). In the context of PPAF's strategy, Balochistan stands out to be the most deserving province primarily because, out of its 30 districts 29 (except Quetta district) fall in the category of the poorest as per the parameters set forth above. It has the worst human development

outcomes (extreme poverty, political instability and the lowest health and education levels).

Balochistan is widely recognized as a pivotal point for creating greater peace and security in Pakistan and as a province full of natural resources that offers great potential for development. In reality, there are two Balochistan. One is considered by many to be the national epicentre for centrifugal drift, violence, illiteracy, poverty, oppression (especially among women) and burdened by an outmoded feudal system. The other belongs to the populace that rejects violence and extremism and is committed to build the foundations of sustainable peace, human dignity, hope, prosperity and well-being for all. These millions of peace-loving people recognize that the road to sustainable peace in Balochistan can only be built through constructive development processes.

In order to address the current multiplying socio-economic and political malaise in the province, PPAF initiated a consultative process by engaging communities, development agencies, political leadership and local development partners. The outcome of PPAF's endeavors has resulted in the formulation of an organic development strategy for Balochistan. Central to this strategy is the socio-economic uplift and empowerment of the people of Balochistan through mainstreaming marginalized voices in the process of transformation. Using an approach that engages and embraces local cultural identities and assists local populations to build and develop their capacities and provide them a voice in shaping their futures.

Being context specific and value driven, PPAF's strategy will invest into the institutions of the poor so that they take charge of their lives and make informed decisions about their livelihoods. With PPAF's diverse portfolio, the strategy has the required absorption capacity to support wide array of activities ranging from water resource management to small-scale open pit mining.

All the money and technical know-how in the world will not move the hearts or capture the imagination of the deprived people in Balochistan. Unless, we find a way to engage the hearts and minds of the people, their communities and their institutions, we are bound to fail in transition from a project approach to a transformative movement. For this we need to put in collective and sustained efforts to turn the tide and restore hope in the province.

PPAF's endeavors are dedicated to the people of Balochistan who deserve much better; they have long suffered the consequences of un-kept promises, poor governance and neglect. May they achieve their true potential and gain rights that are theirs under the Constitution of Pakistan.

Qazi Azmat Isa
Chief Executive Officer

Executive Summary

PPAF has spent the past decade investing in the human, physical and economic infrastructure of Pakistan, by working through Partner Organizations (POs) that aim to serve the poor and poorest populations across the country. During this process, PPAF has come to realise that if development is to be successful and sustainable, it requires the active participation and ownership of those we aim to serve. The foundations of the new approach rest on four core values – good and democratic governance, social inclusion, environmental sustainability and accountability ensured through building institutions of the poor that reflect these core values. Social mobilization has thus become the essential element of PPAF's new approach that entails predicating PPAF development support on the formation of value-laden community institutions (institutions of the poor). Our goal, *"to alleviate poverty through empowering poor people and increasing their access to income and opportunities, ensuring a focus on the most vulnerable and marginalized groups"*, reflects a shift in paradigm from hardware-oriented (project based) to software oriented (institution focused) development approaches.

This shift has gone hand in hand with a strategic review of our work, and in 2011 the decision was made to focus PPAF on the highest priority districts across the country, using as our criteria, three key parameters – a. the human development index, b. the level of food insecurity as measured by the UN and c. Government of Pakistan's own identification of the poorest districts in the country. Based on this re-evaluation of priority areas, attention was immediately drawn to the province of Balochistan which, along with FATA, has the highest number of high priority districts. Accordingly it was agreed that in order for PPAF to help transition from outputs to a context-sensitive outcome and impact oriented poverty alleviation approach a development strategy for Balochistan should be formulated, to be followed by formulation of other provincial/regional strategies which can guide the work of PPAF and Partner Organizations. Subsequently, through a mix of desk research, consultations with partners and other stakeholders in Balochistan, as well as field visits to communities, the present strategy has been formulated.

PPAF has been working in Balochistan since 2000. Although there have been positive developments during this period, a number of formidable challenges have been faced by POs, both internal to their functioning and external. These issues include the extremely restricted outreach of POs, the limited involvement of and relative lack of capacity of local grassroots level organizations, and as a result, little in the way of significant development outcomes that contribute to the overall goal of poverty alleviation (or progress towards the achievement of the Millennium Development Goals). We believe our new strategy will contribute strongly towards eliminating these gaps and provide inclusive, integrated and sustainable support for the uplift of the province.

PPAF's Vision for Balochistan

A peaceful, prosperous and economically strengthened province with strong ties to the federation, where, security, justice, equity and enlightenment prevail and empowered communities lead their own development in a sustainable way.

Any strategy for the province's social, political and economic development will need to pay attention to its unique physical, environmental and demographic conditions, cultural traditions and customs, and sources of conflict. It would be correct to say that Balochistan today is in a state of crisis. It's comparatively low pace of development and its perception of the lack of responsiveness of the Central, later Federal Government has engendered a sense of neglect and isolation within the province, a feeling that it is a lesser part of the Federation.

Balochistan's unique features, i.e., its diverse geographic, ethnic, political and social mosaic that constitutes 44 percent of the country's land area with only 5 percent share of national population open up a vista of possibilities as well as challenges for social transformation. The possibilities of transformation stem from the resource-rich geography and strategic focus towards building human, institutional and social capitals that are well poised to set forth the development priorities in favor of the poor of Balochistan. The challenges are multiplying as Balochistan continues to have the worst poverty figures in Pakistan, especially in rural areas, with major gender disparity and social exclusion.

Furthermore, Balochistan's diversity of environment also provides great opportunity and potential for development. The province's endowment in

petroleum products and valuable minerals is immense and as yet not even fully mapped and explored. There are excellent fishing areas off the coast, at present plundered by foreign fishing boats. World class fruit is produced in various parts of the province, the gains being limited by non-existent post-harvest management, poor communications and lack of marketing knowledge.

A focus on the Millennium Development Goals (MDGs) provides a starting point from where social and economic change can be initiated – at a minimum in terms of providing basic health and education access to women and children as well as livelihood opportunities, all of which can result in increased opportunities and reduced poverty. We will give special attention to overall economic framework of province not merely to local initiatives; that's why sectors such as trade, mining, finance and communications form such an important part of our overall strategy.

Our theory of change reflects this focus;

Institutional building at community and apex level + integrated and participatory development strategies (social, economic, environment) + private and public investment = empowered communities and reduced poverty

Our scope of work includes;

- Social mobilization and institutional development of communities with the aim of linking smaller institutions together at village and UC-level so that their demands carry weight and are responded to
- Improving access to better quality public goods and services (linking to the millennium development goals) that lead to improved quality of life for the poor and the poorest
- A focus on assisting grassroots communities to develop sustainable livelihoods and on enhancing economic value through provision of skill-building, enterprise development, other human resources development, creating linkages with government agencies, private sector companies and attracting public and private investment



Communities of rural Balochistan busy planning their developmental priorities

- Assisting mining and extraction of petroleum-derived products on an equitable basis and beneficial to local communities and the province
- Facilitating access to financial services in Balochistan such as provision of microcredit
- A major focus on youth programs

PPAF has a vision of local development at the level of the Union Council (UC) and lower administrative tiers. We have worked out benchmark figures for investment needed for an average UC right up to the level of specific sectors. This analysis will inform our intervention in the neediest districts, tehsils and UCs. PPAF will continue to work closely with the Government of Balochistan, other government and autonomous bodies as well as all other multilateral, bilateral and private sector bodies involved in aspects of economic and social development in Balochistan.

Finally, we need to keep reminding ourselves that development remains a messy business. There will be a constant need to review and reassess the strategy, practical arrangements and goals that we have set for ourselves, to ensure we remain aligned to the current context and situation both within Balochistan as well as at the national level. This, therefore, remains a living document, with ample room for flexibility and improvement.

Chapter 1

Introduction

i) Roles and Priorities

Over the past decade, PPAF's approach towards poverty alleviation has been one of carefully synchronized interventions that respond to basic community needs. This has included a focus on livelihood enhancement and protection, energy and infrastructure development, health and education, human and institutional development, disaster management and microcredit.

History

PPAF was the first independent organization of its kind, founded for the purpose of alleviating poverty through empowering poor people and increasing their access to income and opportunities. As such, much of its early work was pioneering.

PPAF started operations in 2000 with the purpose of 'helping the poor, land-less and asset-less in order to enable them to gain access to resources for their productive self-employment, to encourage them to undertake activities of income generation and poverty alleviation and for enhancing their quality of life'.

PPAF has an active Board drawn from well-known professionals and its staffing is performance-based.

It has built up an efficient and professional organization with the stated core business of 'wholesaling financial and non-financial services to eligible civil society and private sector entities through lines of credit for on-lending, grant funding for small-scale infrastructure projects and grant funding for human and institutional capacity building for credit and infrastructure development for Partner Organizations and community-based organizations'.

As part of its mandate, it pays special attention to gender equity, environmental responsibility, social cohesion and participatory

transformation with an enhanced focus on spatial dimension of poverty, i.e., focus on relatively less developed areas of the country. It has a nationwide operation and runs programs through its partner organizations in most districts in the country.

PPAF has played a critical role in the microfinance industry by providing financing that allowed for a major expansion in microfinance and fuelled exponential growth in the sector, by assisting capacity building of partner organizations and by fostering the entry of new players. Many of its partner organizations are now poised for rapid growth.

PPAF has recently moved beyond work with the non-government organizations and has only recently extended its support to non-bank financial intermediaries and Micro Finance Banks (MFBs). This is consistent with the new approach being adopted by PPAF in which it aims to play a catalytic role in the evolution of the sector as a whole.

Despite the difficulties of working in Balochistan, PPAF together with its POs has solid achievements to its credit. These cover education, health, infrastructure, water, energy, credit and enterprise, human and institutional development and capacity building.

New Priorities

It has become clear to PPAF, over time, that in order for people to be empowered to lead their own development, a core factor of our work must focus on social mobilization. Empowerment can be broadly defined as a progression that helps people to gain control over their own lives and increases their capacity to act on issues they themselves think are important. A multidimensional approach to empowerment must consider both individual capacities and collective action to address inequalities that cause poverty. PPAF's goal now reflects this new focus:

PPAF's Goal

To alleviate poverty through empowering poor people and increasing their access to income and opportunities, ensuring a focus on the most vulnerable and marginalized groups

Our approach is described in detail in Annex B. The following are our three core principles.

Social Inclusion – At the very basis of equitable development lies the empowerment of individuals within communities who have no voice – specifically women, the elderly, disabled, widows, orphans and minority or vulnerable groups such as the ultra-poor.

Good Governance – defined as *“the management of government in a manner that is essentially free of abuse and corruption, and with due regard for the rule of law. Good governance is characterized by participation, transparency, accountability, rule of law, effectiveness and equity”*.¹

Accountability – Accountability and responsiveness require both vertical and horizontal channels of checks and balances, which include strong democratic institutions, and an active and informed citizenry and civil society. For example the legislature and judiciary are horizontal checks on the power of the executive functions, while the process of elections is a vertical check on political parties.

Our revised organizational strategy which was developed in early 2011 envisages a broader strategic framework (than that of simple needs-based approach), with the expectation that by incorporating certain thematic areas, we will be able to achieve our overarching goal. These six thematic areas are;

- A focus on the MDGs
- Addressing spatial dimensions of poverty
- Addressing growth dimensions of poverty
- Reinforcing the writ of the State
- Inclusive and sustainable development
- Institutions of the poor

This framework allows us to focus our energies on specific target groups which are the poor and extremely poor rural and urban communities across Pakistan. We place special emphasis on social inclusion, especially on gender equity and the empowerment of women. We have identified our strategic drivers of change as being closely linked to the achievement of the following MDGs;

¹ OECD Glossary of Statistical Terms, <http://stats.oecd.org/glossary/detail.asp?ID=7237> sources on 23 May 2011.



The emblem denotes three words: *Ishq, Ilm, Amal* meaning passion, knowledge, action — the core values driving the institution.



Vision

Restoring hope,
Securing the future,
Ending poverty

Goal 1: Eradicate extreme poverty and hunger

Goal 2: Achieve universal primary education

Goal 3: Promote gender equality and empower girls and women

Goal 4: Reduce child mortality

Goal 5: Improve maternal health

Goal 7: Ensure environmental sustainability

We have also identified six levels of priority districts for our grant-funded interventions based on a set of key criteria which include;

- i) Benchmarking districts against the average HDI score for Punjab
- ii) Benchmarking districts on the basis of food insecurity
- iii) Targeting districts identified by Government as the poorest and most deprived
- iv) Leveraging on PPAF's previous investments/outreach

PPAF District Prioritization

for Grant Funded and Microfinance Interventions

(National Scenerio)

PRIORITY ONE Lowest HDI Index and Food Security

- | | | |
|-----------------|-----------------------------|--|
| 1. Awaran | 9. Tank | 17. Mohmand Agency |
| 2. Khuzdar | 10. Upper Dir | 18. Tribal Area Adjacent Lakki Marwat District |
| 3. Kohlu | 11. Tharparkar | 19. Orakzai Agency |
| 4. Musakhel | 12. Kharan | 20. Tribal Area Adjacent Bannu District |
| 5. Panjgur | 13. North Waziristan Agency | 21. Tribal Area Adjacent D.I. Khan District |
| 6. Kohistan | 14. South Waziristan Agency | 22. Tribal Area Adjacent Tank District |
| 7. Lakki Marwat | 15. Bajaur Agency | 23. Tribal Area Adjacent Kohat District |
| 8. Shangla | 16. Kurrum Agency | 24. Tribal Area Adjacent Peshawar District |

PRIORITY TWO Low HDI Index and Food Security

- | | | | |
|-------------------|----------------|---------------|------------------|
| 1. Kotli | 11. Mastung | 21. Badin | 31. Hattian |
| 2. Neelum | 12. Naushki | 22. Chitral | 32. Muzaffarabad |
| 3. Barkhan | 13. Astore | 23. Lower Dir | 33. Jhal Magzi |
| 4. Bolan | 14. Skardu | 24. Mansehra | 34. Bannu |
| 5. Chagai | 15. Diamir | 25. Dadu | 35. Batagram |
| 6. Khyber Agency | 16. Ghanche | 26. Umer Kot | 36. D.G. Khan |
| 7. Kalat | 17. Ghizer | 27. Washuk | 37. Muzaffargarh |
| 8. Kech | 18. Thatta | 28. Zhob | 38. Rajanpur |
| 9. Killa Abdullah | 19. Dera Bugti | 29. Sherani | |
| 10. Loralai | 20. Buner | 30. Havelli | |

PRIORITY THREE Moderate HDI Index and Food Security

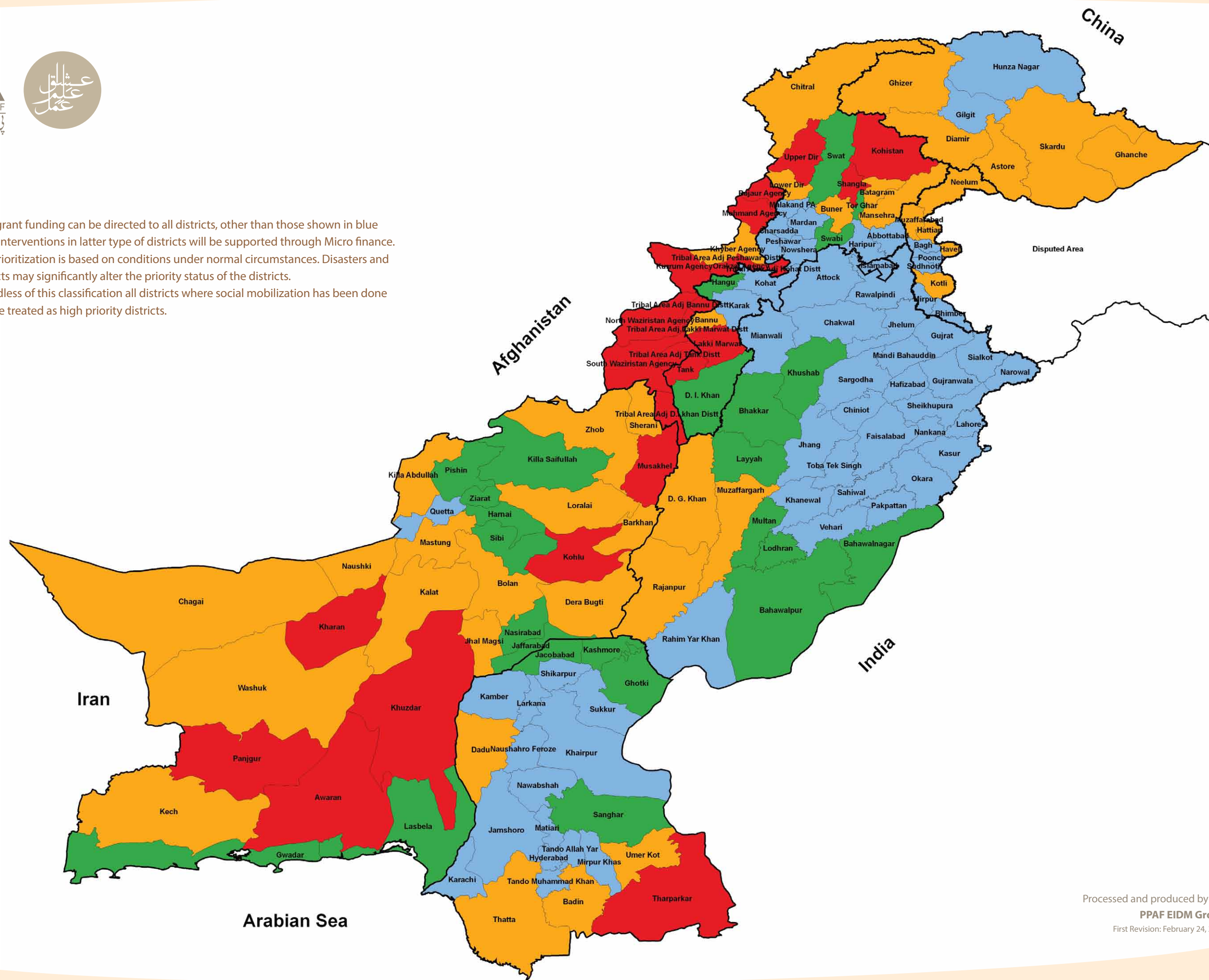
- | | | |
|--------------------|----------------|--------------------|
| 1. Gwadar | 10. Swabi | 19. Bahawalnagar |
| 2. Killa Saifullah | 11. Swat | 20. Bahawalpur |
| 3. Lasbela | 12. Jacobabad | 21. Bhakkar |
| 4. Pishin | 13. Kashmore | 22. Khushab |
| 5. Ziarat | 14. Sibi | 23. Layyah |
| 6. Tor Ghar | 15. Harnai | 24. Lodhran |
| 7. D.I. Khan | 16. Jaffarabad | 25. Multan |
| 8. Hangu | 17. Nasirabad | 26. Rahim Yar Khan |
| 9. Ghotki | 18. Sanghar | |

PRIORITY FOUR Good HDI Index and Food Security

- | | | | |
|-----------------|----------------------|--------------------|-------------------------|
| 1. Bagh | 16. Mardan | 31. Nankana | 46. Khairpur |
| 2. Bhimber | 17. Nowshera | 32. Narowal | 47. Larkana |
| 3. Mirpur | 18. Peshawar | 33. Okara | 48. Matiari |
| 4. Poonch | 19. Attock | 34. Pakpattan | 49. Mirpur Khas |
| 5. Sudhnoti | 20. Chakwal | 35. Rawalpindi | 50. Naushahro Feroze |
| 6. Quetta | 21. Faisalabad | 36. Sahiwal | 51. Nawabshah |
| 7. Chiniot | 22. Gujranwala | 37. Sargodha | 52. Shikarpur |
| 8. Islamabad | 23. Gujrat | 38. Sheikhupura | 53. Sukkur |
| 9. Jhang | 24. Hafizabad | 39. Sialkot | 54. Tando Allah Yar |
| 10. Abbottabad | 25. Jhelum | 40. Toba Tek Singh | 55. Tando Muhammad Khan |
| 11. Charsadda | 26. Kasur | 41. Vehari | 56. Gilgit |
| 12. Haripur | 27. Khanewal | 42. Hyderabad | 57. Hunza Nagar |
| 13. Karak | 28. Lahore | 43. Jamshoro | |
| 14. Kohat | 29. Mandi Bahaudding | 44. Kamber | |
| 15. Malakand PA | 30. Mianwali | 45. Karachi | |

Note:

1. PPAF grant funding can be directed to all districts, other than those shown in blue color. Interventions in latter type of districts will be supported through Micro finance.
2. This prioritization is based on conditions under normal circumstances. Disasters and conflicts may significantly alter the priority status of the districts.
3. Regardless of this classification all districts where social mobilization has been done may be treated as high priority districts.



Our Approach

We have emphasized to all our stakeholders that PPAF's vision includes particular core values which are the foundations of the way we work – these values include a focus on democratic governance, voice and accountability and social inclusion. We believe that for our efforts to have a real impact, these core values must be shared by our partner organizations, Civil Society Organizations (CSOs) and other Community Based Organizations (CBOs) that we plan to support. PPAF aims to promote a holistic approach to poverty alleviation, which is aligned closely with Pakistan's commitment to the MDGs. We place emphasis on integrated development programs that generate a broad and deep socio-economic impact at the community level.

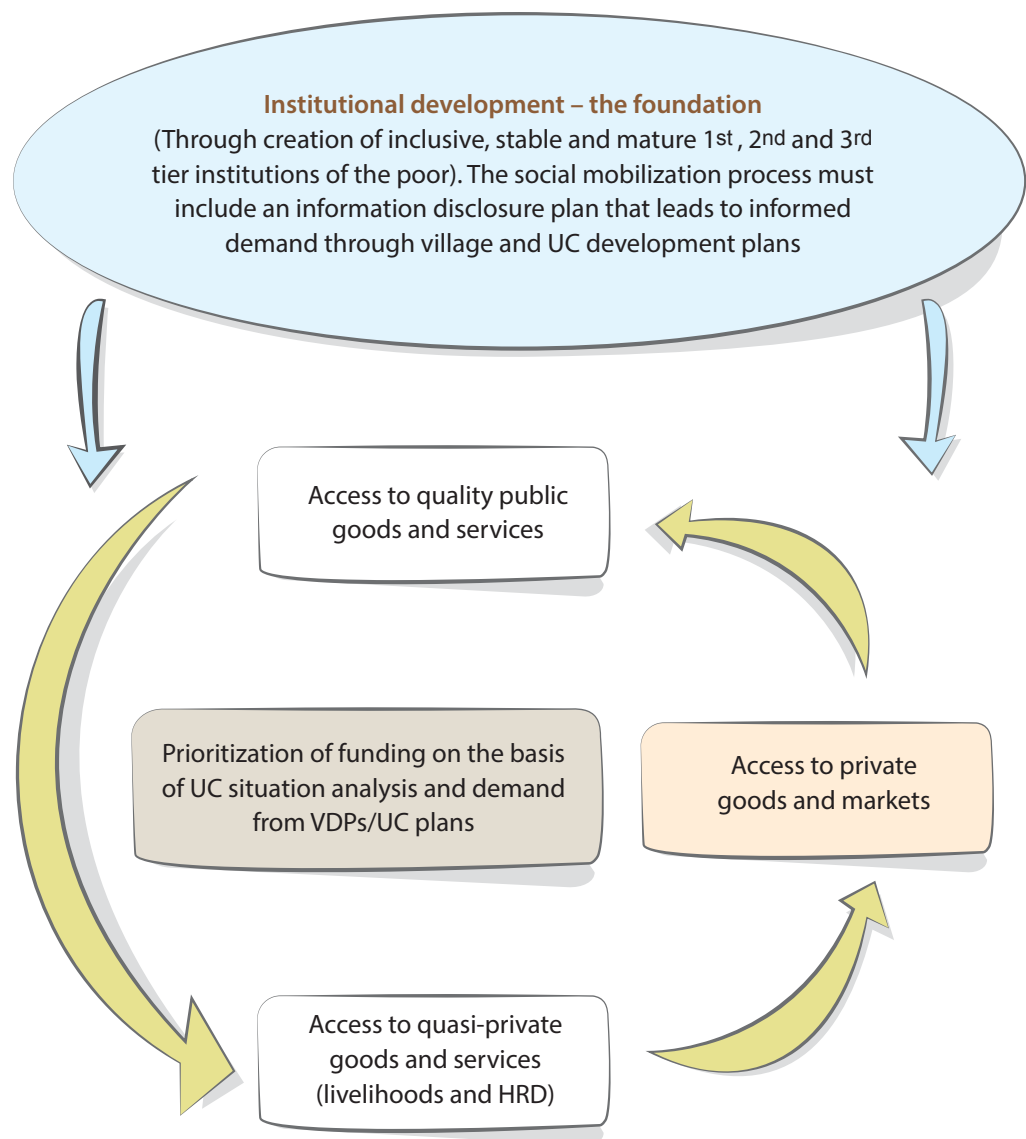
Implementation Strategy

Our implementation strategy is situated within the socio-political and physical landscape of Pakistan. This means that the approach we prefer to use must be detailed enough to allow us to measure progress at the Union Council, district, and provincial level. We plan to develop integrated, multi-sectoral strategies for each province, and within provinces, to cluster areas together on the basis of physical, environmental, social and economic mapping. Our implementation approach thus involves a focus on each of the following areas;

- Integrated, multi-sectoral planning
- Provincial, regional strategies
- Preference for local indigenous partners
- Redefining POs as principals or associates
- Focus on union councils as the unit of PPAF interventions
- Quality of community institutions as the basis for resource allocation
- Ensuring rights-based and participatory development approaches

A key aspect of our work is supporting community institutions (institutions of the poor) and partner organizations (institutions for the poor) that work directly with communities and their institutions. We also strive to be a dedicated market developer committed to the emergence of professional and sustainable civil society organizations.

Approach: 'Continuum Approach' for Achievement of Integrated Development



(ii) Implications for Balochistan

The focus on Balochistan as a key province for PPAF came about as a result of the creation of the new strategy in 2011. Mapping out the classifications for prioritization resulted in the emergence of Balochistan as having the most priority one and priority two districts followed by FATA. It was agreed that a special cohesive strategy would be required which could allow PPAF to synchronize interventions, work with current and new partners, and develop a more detailed thematic focus on identified areas of significance – youth; private-public partnerships; access to quality public goods and services; and livelihood enhancement using environmentally responsible and sustainable strategies to alleviate poverty. This was substantiated by a number of consultations with partner organizations both national and local CSOs that have worked with us in Balochistan over the last decade.

Feedback from Stakeholders

The Pakistan Poverty Alleviation Fund has been supporting local, national and some international CSOs in Balochistan from 2000 onwards. This support has brought some improvement in the development of the province. Taraqee Foundation was the first implementing partner of PPAF and over time other CSOs like BRSP, BEEJ, BRDS, BRDRS, Save the Poor, Azat Foundation and PIDS also became partners, running programs in specific districts (a full list of PPAF partner organizations in Balochistan is provided in Annex A). Organizations such as Islamic Relief, BRAC and NRSP have also partnered with us in the province. Partners have, during the past decade, focused specifically on interventions in the following sectors; health, education, community physical infrastructure, microcredit, water management, institutional development and social mobilization.

Although there have been some achievements in development, POs working in the province face formidable challenges. The ethnic diversity and varying cultural mores and dynamics sometimes within the same area means that approaches and entry points to working with communities have to be carefully gauged and refined over time. POs have not always managed to do this, which has meant that interventions have often been piecemeal rather than integrated and long-term, and have not always resulted in sustainable benefits to communities except in certain cases of community physical

infrastructure support. Further, the system of tribal and political hierarchies has meant that organizations external to particular areas/communities have found it difficult to enter these areas or to work in these communities. Finally, the increasing breakdown in security has also prevented many organizations from undertaking work they have previously committed to.

For its part, PPAF has not reviewed the work of partner organizations as closely as it might have. A greater degree of rapport and a greater quantum of support and capacity building are required to ensure that POs are able to reach their full potential by putting in place and operating high-quality and appropriate organizational systems and operating procedures. At the sametime, appropriate systems and structures meant for PO effectiveness and accountability are a pre-requisite.

PPAF has also faced its own challenges in operating in Balochistan. A review of perceptions of non-PO stakeholders reveals that many do not view PPAF as an all-round partner in development. Rather, these stakeholders perceive PPAF as purely a funding body that focuses specifically on CPI projects; they are not aware of PPAF's vision of integrated development for the province.

The piecemeal strategy referred to above has restricted both the outreach of POs and limited their involvement in building the capacity and strengthening the sustainability of local grassroots level organizations. This in turn limits possible achievements in significant developmental outcomes as well as progress towards the achievement of poverty alleviation in general or the Millennium Development Goals in particular.

The new PPAF Strategy for Balochistan is designed to change our working methods in tandem with all our partners and thus to dispel these perceptions. Over time, PPAF aims to lay the foundations for its change and growth and excel as a development partner for communities and POs alike.

(iii) Learning from Previous Work

Apart from taking on board feedback from stakeholders, PPAF is also engaged in learning from successful (or unsuccessful) programs and interventions in other parts of Pakistan, in order to strengthen and



In response to increased incidence of disasters, PPAF has made Disaster Management and Preparedness as one of its core activities

revisit best practices and see how these can be taken forward within the context of Balochistan.

Some lessons have been learnt from PPAF's Sindh Coastal Areas Development Program (SCAD) where there was an urgent need to address multiple environmental and water management problems in the Sindh coastal areas in the districts of Badin and Thatta. Specific lessons learnt from this program point to the necessity of establishing linkages with both government and non-government stakeholders from the onset of the planning process.

For example, the linkages established with other projects in the area including Sindh Water Sector Improvement Project and Sindh On-Farm Water Management Project as well as linkages with the Sindh Irrigation and Drainage Authority have allowed for greater information sharing and use.

Interventions by other international and national organizations, such as WWF and IUCN, have also been very useful in providing evidence of how traditional and historical practices in relation to habitat and ecosystem management have been revived and supported by modern technology,

leading to significant gains for communities, including improvements in agriculture yields, livestock management and income levels.

One of the most important lessons arising from the experience of programs implemented in Balochistan and other provinces in the past suggest that project driven community organizations, i.e., 1st or 2nd tier institutions created for specific interventions have often been unsustainable over the longer term.

What has been found necessary for sustainable gains in poverty reduction is a strong social mobilization component in any program that helps to focus community efforts over a variety of priorities concentrating on the ones internally identified as most important and to refocus as necessary from time to time.

Social mobilization must be augmented with information and knowledge sharing, engaging with community members on rights-based approaches, providing relevant skill development and linking this to community works that benefit poor and ultra-poor households. Only then can sustainable and engaged community institutions form the basis for a successful program of poverty reduction.

Chapter 2

Situation Analysis and Context

i) Geography

Balochistan, Pakistan's western-most province, borders eastern Iran and southern Afghanistan. It is the largest of the country's four provinces in terms of area (44 percent of the country's land area), but the smallest in terms of population (5 percent of the country's total). According to the last national census conducted in 1998, the total population of the province accounts for nearly eight million people, of which over two-thirds live in rural areas. The population comprises those whose first language—an important marker of ethnic distinction in Pakistan—is Balochi, who together with the Brahvi speaking people comprise perhaps the single largest group, Pashto the next largest, and relatively small populations of peoples who speak Sindhi, Seraiki, Punjabi and Urdu.⁴ However, current estimates place the population of Quetta alone at over 6 million people, so there is a strong possibility (given Pakistan's annual population growth rate) that Balochistan's population has seen a significant increase since 1998. There is still a sizable component of Afghan refugees in the province particularly in Quetta and the (North-Eastern) Pashtun regions.

There are three distinct geographic regions of Balochistan. The belt comprising Hub, Lasbela, and Khuzdar in the east is heavily influenced by proximity to the vast metropolis of Karachi, Pakistan's economic center, situated in Sindh province. The coastal belt comprising Makran is sparsely populated and has scarce water resources and no major rivers; it does however have major marine fishery resources. It is served by the Gwadar port. Eastern Balochistan is the most remote part of the province. This sparsely populated region is home to the richest deposits of mineral resources in Pakistan including oil, gas, copper and gold, much of which have not yet been put to economic use. Significantly, this is the area where the struggle for power between the Pakistani state and local tribal elites has been most apparent.

⁴ Balochistan Economic Report (World Bank, 2007), Pakistan, February 2007, pg. 143.



The rugged terrain of the province allows limited livelihood possibilities for the local populace

Any strategy for the province's social, political and economic development will need to pay attention to its geological, environmental and demographic peculiarities and sources of conflict. Indeed, remoteness and environmental diversity might be viewed as defining the context of development in the province. But Balochistan's geography and locality are also its main economic resource. Over the last four decades, it has supplied cheap natural gas to Pakistan's economic centers, supporting the country's industrialization. It's vast though often over-grazed rangelands have been used to support goats, sheep, buffaloes, cattle and camels. The long coastline is a possible axis of trade as well as a repository for rich marine resources. As a frontier province, it is ideally situated for trade with Iran, Afghanistan, Central Asia and the Persian Gulf countries and could be developed into a strategic space that can support and shorten trade and travel costs between emerging economic regions. It is also home to Pakistan's only port alternative to Karachi, i.e., Gwadar as well as an alternate route from the coast to upcountry regions.

Economic geography offers two concepts that are important in understanding "lagging regions".⁵ First, differences in economic development across locations can emerge from underlying, inherent

⁵ Krugman, Paul, Development, Geography, and Economic Theory, Cambridge, MA: The MIT Press 1995.

differences in those locations, such as climate, environmental profiles, sea access and geography. Second, such initial disadvantages can be further fueled by political and policy biases/neglect, cumulative outcomes of historic accidents, which along with political and social unrest can lead to regions failing to develop a self-enforcing economic dynamism.⁶ Thin markets with few backward and forward linkages, low purchasing power amongst the population, weak skills of the labor force and weak local administrations combine to make them unattractive for business. The challenge for such regions is to grow and converge with the other regions in the country. Unfortunately, for Balochistan, these challenges combined with political neglect, has resulted in its current status as an economic backwater on the periphery of the national economic and institutional development.

(ii) Politics and Culture

Tribes and tribal networks dominate social organization among the main ethnic groups of Balochistan – Baloch, Brahvi and Pashtun. The tribal identity is one part of a more intricate kinship-based system of social affiliation extending from families to entire ethnic groups. The tribal system has active functions and roles in the management of collective action. There are clear structures of leadership, and established informal norms concerning the conduct of leadership, dispute resolution, management of common property resources, and leadership transition. There are some differences between Pashtun and Balochi/Brahvi tribal codes however – the role of the *Sardar*, i.e., tribal chief, is more prominent in the latter tradition than the former. The tribal code among the Baloch, known as *rivaaj* or *mayaar*, and that among the Pashtuns known as *pashtunwali* is sometimes referred to as the very basis of these communities' identities.⁷

Tribal structures greatly influence political processes in Balochistan, resulting in the prevalence of patron-client networks. Among most Baloch tribes there is a well-defined hierarchy, with sardars being both traditional and often political leaders as well. The ethnic diversity of the province, where the Baloch are the largest group but where other groups dominate certain geographical areas, adds to its political fragmentation. The province is also home to competing political ideologies – such as various brands of ethnic nationalism as well as Islamic traditionalism- which stand apart from the Pakistani mainstream while also appearing to be at odds with one another.⁸

⁶ Balochistan Economic Report, World Bank, 2007, pg. 15.

⁷ Gazdar, Haris, pg. 34.

⁸ Gazdar, Haris, pg. 3.



Institutional building has to be grounded into the local culture and politics to be effective

It is useful to note the possible ways in which the predominance of tribal social organization impacts development outcomes.⁹

1. First, kinship groups, sub-tribes and tribes constitute vertically aligned social networks that act as important domains of political mobilization and action. The presumed division between the social, economic and political domains that allows for the development of institutions such as anonymous markets, civil society and political representation, therefore, cannot be expected to work in the same way in tribal societies. Tribal leaders are quite often political leaders as well as channels for accessing economic resources. The Baloch-Brahvi tribal sardars in particular are thought to enjoy positions of pre-eminence in multiple domains.
2. Second, tribal social organization tends to favour vertically-aligned cooperative behaviour, often at the expense of consensus building, or even horizontal class-based mobilization. Conflicts between tribes and kinship groups and cooperation within these groups can make it costly to obtain agreement on issues that affect people across kinship and tribal lines. The Balochi-speaking Mekran – comprising the districts of Panjgur, Kech and Gwadar – stands out in Balochistan as a region where the tribal social organization is relatively weak.

⁹ These 4 points taken from Gazdar, Haris, **Background Paper on Social Structures and Migration**, pg. 18-19.

3. Ethnic identity can create greater divides and can prevent the identification of collective provincial priorities concerning development. In extreme cases there might be open disputes and conflicts along ethnic lines. Ethnic identity can be seen as a continuum of kinship and tribal structures in Balochistan. The identification of specific sub-regions with particular ethnic groups implies that many resource allocation decisions need to pay attention to “even-handedness” between regions (or ethnic groups) regardless of the technical merits of the case. **This means that working purely on the basis of poverty rankings or development ‘needs’ may not be the sole criterion for sustainability over the longer term.**

In principle, ethnic identity can be expected to magnify the effects of tribal social organization on development outcomes. The two points noted above with respect to tribal organization – absence of a separation between economic, social and political domains, and the pre-eminence of vertical alignments – means that our strategy must identify ways of working through these systems and structures so that benefits to ultra-poor and poor communities are realised.

(iii) Governance

There are three areas of governance that require particular focus. First, political alignments around tribal structures, competing interest groups, and conflicting demands can make it more difficult to create horizontal structures through social mobilization processes. Such coalitions would be important not only for organizing on class-based issues such as land ownership distribution, tenancy rights, and wages, but also for resisting elite capture of public goods and services. **Non-elite groups are often disproportionately dependent on public goods and services such as rural health centres, government schools, and water supply schemes. The elite have greater possibilities of access to the private sector, and hence of exit.**¹⁰

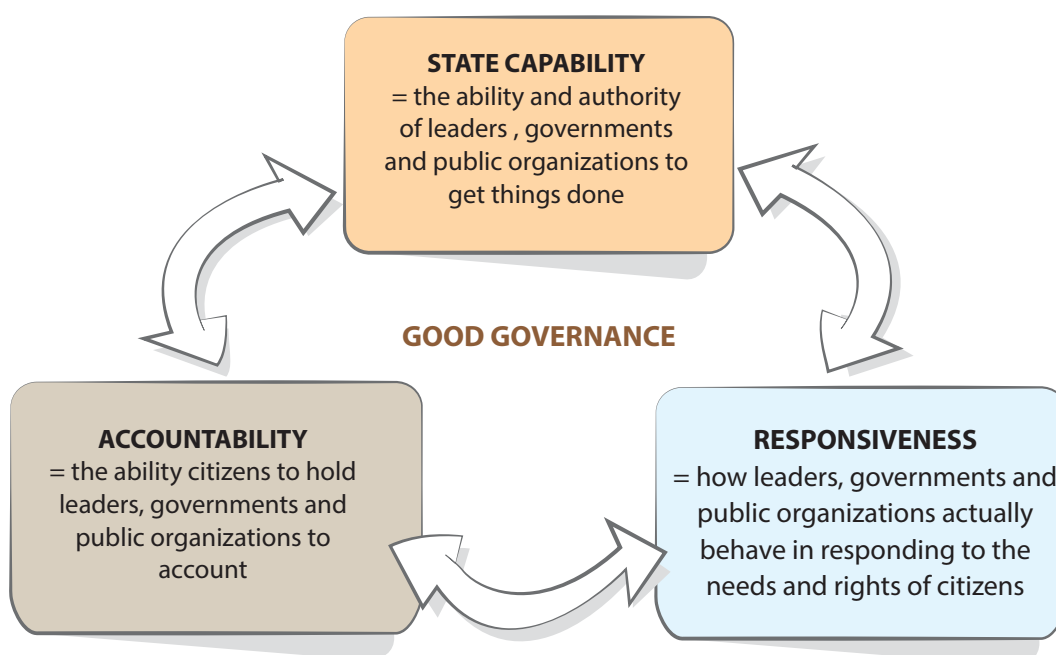
The governance of public goods and services (both in terms of the natural resources environment, as well as social and economic development) then becomes the second area of focus. Government systems that benefit the ultra-poor can only become a reality if the public sector can be strengthened and pay offs to political factions reduced or eliminated.

¹⁰ Gazdar, Haris, pg. 20.

Strengthening the accountability and responsiveness of government entities at Union Council, district and provincial levels requires a strong and effective civil society, a mobilized public and improved capacity and capability of the public sector to respond to demand driven development. The institutional strengthening of civil society organizations thus also becomes a key focus of governance in the province. Until and unless civil society organizations are themselves accountable and transparent institutionally and in their operations, and until they are able to mobilise communities through effective strategies, the pressure on government to respond will remain limited and patchy.

The UK Department for International Development (DFID) has created a “Capability Accountability Responsiveness” (CAR) Framework that provides insight into the factors involved in strengthening governance that lead to improved outcomes for poor people. The following diagram provides a pictorial map of the framework and how it is meant to work;

Figure 3: **The DFID CAR Framework**



By supporting the formation and building the capacity of both community and apex organizations as well as POs, PPAF strengthens civil society and hence “the ability of citizens to hold leaders, governments and public organizations to account.”¹¹ By posing these demands on an on-going basis, civil society organizations in turn place the onus for responsiveness on leaders, governments and public organizations and for that matter on donors who are also at present active players in development. The need to respond to public demands creates pressure to strengthen state capability to deliver.

It is important to note here that the various conflicts in Balochistan, between groups and involving the military, stem from a long-term and pervasive sense of neglect by the state, a sense by no means confined to the ethnic Baloch. While conflict persists, efforts to bring about positive change (social and economic) may be severely constrained – there are instances of staff of civil society organizations being threatened and even killed in the line of work. The conflict and development paradox needs to be explored in full when planning and implementing projects, so as to protect communities and partners from unintended negative consequences.

(iv) Public Sector Development and Reforms

The 18th Constitutional Amendment, together with the adoption of the 7th National Finance Commission Award (NFC) in 2009 has been a major step towards fiscal decentralization. Provincial governments now also have access to direct borrowing from multi-lateral donor agencies.

18th Constitutional Amendment also allows for decentralized control over decision-making on important development issues. Ministries of Health, Education, Planning and Development, etc., at the provincial level are now in charge of developing their own vision and plan for the province, and many see this as a sign that local needs will be addressed more effectively and efficiently. However, there is a need for caution as it is not apparent yet that the institutional capacity at district and provincial levels can handle the new responsibilities that the 18th Amendment inevitably brings.

Reconciliation and Reforms

In December 2009 Pakistan’s newly elected civilian government, in an effort to bring about political reconciliation in the province, passed the Aghaz-e-Haqooq-e-Balochistan (“Beginning of Rights in Balochistan”) package of constitutional, political, administrative and economic

¹¹ Ibid., pg. 21.

reforms. It noted the province's "sense of deprivation in the political and economic structures of the federation" and past failure to implement provisions of the 1973 Pakistan Constitution that sought to empower the provinces. The package aims, among other things, to delegate a range of federal areas of authority to the Balochistan government, and requires federal authorities to obtain provincial government consent with respect to major projects. It seeks to redress the province's socioeconomic disparity compared to the rest of the country by increasing employment of the peoples of Balochistan in the civil service, giving provincial and local government authorities a greater share of resource industry revenues, and compensating communities displaced by violence.

The package calls for "Restructuring of the NFC Award criteria. In the past, the formula was based on population. This has been changed and other criteria such as inverse population ratio, backwardness, poverty and resource generation need to be taken into consideration."¹² As a result of the package, the Pakistan federal government in 2010 released Rs 12 billion (US\$140 million) to the Balochistan government in outstanding debts owed to it with respect to natural gas revenues and announced a Rs 152 billion (US\$1.77 billion) budget for the province, double that of 2009.¹³

The Balochistan share of the NFC Award 2009 has been increased to 9.09 percent of the total divisible pool. The NFC Award for fiscal year 2011-12 was Rs. 93.255 billion. The Public Sector Development Program, is the main instrument through which the Federal government allocates development expenditures among different sectors. Since the 19th Amendment, a large portion (60 percent) has been given over to provincial control, while 40 percent remains under Federal dispensation. If taken together, the total development package for Balochistan over the period 2011-2012 was approximately Rs.125 billion.¹⁴

Public Sector Development Program (PSDP) allocation over the years

PSDP-YEAR	Released Amount (Millions)	No. of Schemes
PSDP (2007-2008)	10,402.477	882
PSDP (2008-2009)	12,781.534	512
PSDP (2009-2010)	13,617.539	642
PSDP (2010-2011)	26,398.000	962
PSDP (2011-2012)	31,241,000	

¹² Balochistan Package, Article A.3.

¹⁴ Ibid., articles 13 and 14.

Despite these attempted reforms, doubts persist within the people of Balochistan towards levels of accountability and sincerity of the decision makers. Many local and national political parties and leaders have rejected the package, claiming it does not adequately address core grievances or genuinely enable greater provincial autonomy. Moreover, Public Sector Development Program (PSDP) flows through the locally elected representatives (members of the provincial assembly) who often spend these funds whimsically, without focusing on development priorities of their respective constituencies. This apathy adds to the hopelessness of the common people of Balochistan.

Even where funds are allocated, inefficiency, mismanagement and/or corruption have ensured that there has been little to no impact visible on the ground. Vulnerable and marginalized poor communities remain as they were, with political-economic elites gaining the most from such public expenditures. The challenge is to bring these poor communities into the development process in a manner through which their demands are heard and met.

(v) Human and Social Development

Balochistan's long-term problems of governance have deepened a general perception in the province of neglect, discrimination, and denial of rights. These are exacerbated by the continuing tribal system and its archaic social structures, the influence of the tribal chief on the justice system and police and the consequent denial of citizens' fundamental rights, under the Constitution.

Although men, women and children are all affected by the lack of development and neglect, women's experience of poverty and neglect differs to that of men, and has a great impact at the domestic and economic level. Women are adversely affected by traditional forms of dispute resolution and lack of access to other redress mechanisms. They lack assets and opportunities, have no social safety net, and are bound by practices that affect their welfare. The customary marriage contract demonstrates, amongst other things, the level to which decision-making within the family lies in the male domain. It is not surprising that in the patriarchal setup of Pakistan, women do not have a strong presence in the public realm. What is interesting however is the considerably low level of influence they have in the private realm also. A young woman is excluded from decision-making, even if the decision has a direct correlation with her well-being.¹⁵

¹⁵ Gazdar, Haris, pg. 36.

Ethnic and religious minorities and vulnerable populations also suffer from a systematic lack of access to fundamental rights and freedoms. There are frequent reports of both state law enforcement agencies and local power-brokers committing abuses against marginalized populations. Labor conditions are exceedingly poor and there is no single system of justice despite a uniform civil and criminal code. The widespread use of tribal *jirgas* (councils) and other informal forums of justice increase the difficulty of seeking redress and obtaining justice, devaluing its quality.

In sum, the reality and perceptions of neglect, deprivation and lack of empowerment must be engaged with if a basis is to be laid for socio-economic change. This requires a powerful, inclusive, equitable and above all generous political approach. Beyond this, the vision for an empowered and integrated province lies in addressing harmful social traditions and practices, and providing solutions and opportunities for ways forward for all concerned. A focus on the MDGs provides a starting point from where social change can be initiated. The key elements of tracking and benchmarking progress reside in the target goals and indicators that have been provided for the MDGs. Below is a brief overview of the progress towards specific goals relevant to PPAF's strategy that has been achieved to date in Balochistan.



Assessing the MDGs

It is pertinent to note that the most recent UNDP Report on MDGs in Balochistan states unequivocally that none of the MDGs in the province are likely to be met.¹⁶



Goal 1: **Eradicate Extreme Poverty and Hunger**

Poverty data in Balochistan as well as recently in Pakistan as a whole has been subject to much controversy. However, it is clear from a variety of data sources that poverty levels in the province are amongst the highest in the country, both for urban and for rural populations.

Balochistan is far from halving/eradicating poverty by 2015 and in fact after the multiple economic and food price crises from 2007 onwards, it is very likely that poverty has risen sharply, especially in rural areas.

Estimates of overall poverty rates from the province for the year 2004/5 range from 48 percent to 50.9 percent whereas rural poverty is shown to exceed urban poverty levels by approximately 24.2 percentage points. The Pakistan Microfinance Network study on poverty incidence based on the Household Integrated Economic Survey (HIES) of 2005/06 data classifies only 2 percent of rural households as 'non-poor', 17 percent as 'ultra-poor', 26 percent as 'poor' and a further 19 percent as 'vulnerable'. With the exception of the highest quintile for total monthly income, all households were found to spend over 50 percent of their income on food.

MDG 1 is also concerned about combating hunger which ties in directly to poverty incidence and food security. Data from 2004 reveals that 43 percent of children in Balochistan under the age of five are underweight. According to the World Food Program, Dera Bugti had the highest proportion of the population falling under the caloric poverty line – a staggering 73 percent, followed closely by Musa Khel, Kharan and Bolan. In 11 out of 26 districts covered, more than half of the population fell below the caloric poverty line.¹⁷

¹⁶ Report on the Status of Millennium Development Goals Balochistan, UNDP 2011, Executive Summary

¹⁷ Balochistan MDGs Report, 2011, pg. 17.



Poverty levels are amongst the highest in the country restricting caloric intake and well-being

Access to employment is limited for men and women but women make up only 11 percent of the labor force. Both the Balochistan Economic Report and the PRSP 2003 cite the potency of the tribal societal landscape and patriarchal norms in restricting women's participation in labor markets. There has been a palpable lack of political will at both federal and provincial levels to tackle these uniquely outmoded "norms". While the lack of infrastructure is a critical component to start addressing poverty issues, the long-term success of development projects in Balochistan will largely depend upon the equitable participation of communities in decision-making processes as key stakeholders as well as the responsiveness of government at all levels to support these efforts.



Goal 2: **Achieving Universal Primary Education**

Educational opportunities for the vast majority of children and youth in Balochistan seem inevitable if the province has to come out of its current economic and political malaise. The province has the country's lowest net enrollment rates for all stages of schooling. Approximately half of the province's 10 to 18 year-olds who have attended school dropped out before completing primary school.



Only 32 percent of Balochistan's population over age 10 has completed primary level education

According to survey data collected by the government, of 10 to 18-year-old girls who have never attended school, 42 percent have not done so because their parents objected, while 21 percent had to help at home. Only 32 percent of Balochistan's population over age 10 has completed primary level education, the lowest proportion in the country, compared with a national average of 47 percent. The overall literacy rate for Balochistan stands at 45 percent but with significant variations across districts and gender. In two districts, Dera Bugti and Kohlu, the literacy rate is under 20 percent (the lowest in the country) and in both districts female literacy stands at a shameful 2 percent only! In rural Balochistan a mere 16 percent of females over age 10 have completed primary school.¹⁸ It should be noted that these figures do not take into account either quality of education issues or whether the schools in question are fully staffed and functional. The low quality of public services including education is a major problem in Pakistan and especially so in Balochistan.

Balochistan's education facilities are also the poorest in the country. The province has the highest percentage of

¹⁸ ibid., page. 27.

primary school buildings rated as either needing “major repair” (36 percent compared to a national average of 11 percent), or “dangerous” (12 percent compared to a national average of 11 percent). Only 15 percent of primary schools were rated as “satisfactory” (compared to a national average of 36 percent). Of Balochistan’s primary schools, at least 4 percent do not have buildings, 81 percent lack electricity, 34 percent have no drinking water, 72 percent are without a toilet, and 66 percent are without a boundary wall. These provisions have been shown to increase enrollment rates, keep children in school, and ensure their protection.¹⁹



Goal 3: Promoting Gender Equality and Women’s Empowerment

The indicators specified for Goal 3 are concerned with gender parity in education, in wage employment and in political representation. Current statistics show that average gender parity indices (GPIs) for public schools are very low and decreased further with higher levels of education. **Achieving female literacy across Balochistan is one of the biggest challenges to achieving other MDG targets.** Both policy and practice need to focus on supporting girls to access quality schooling within rural and urban areas.

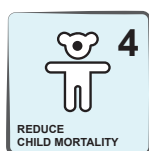


Achieving female literacy across Balochistan is one of the biggest challenges

¹⁹ Balochistan Economic Report, World Bank, 2008.

This means not just a focus on primary schooling, but also ensuring that girls have access to higher education. The gender parity index (0-1 where 1 is complete parity) for primary schools in Balochistan is 0.58 – the national GPI is 0.83.²⁰

The problem of low GPI persists across all education indicators – literacy, net and gross enrolment rates, primary school completion rate, etc. Data also indicates that the gender gap in literacy and net enrolment is persistent and resistant to improvement over time. Adult literacy fares worse than education statistics, with a GPI for adult literacy in Balochistan at only 0.32 as compared to the national average of 0.60. Finally, women's participation in the economy is handicapped first by the lack of proper accounting which does not factor in women's contribution to livestock management and vegetable farming (considered unpaid household work) and also by low educational attainment and cultural norms which prevent women from accessing education and/or employment opportunities.



Goal 4: **Reducing Child Mortality**

There are 4 main indicators used to measure achievement and they include child immunization rates and lady health worker coverage of the population. The province has some of the worst health statistics in the world. The 2011 HDI places Pakistan's under-five mortality rate at 87 per 1,000 live births (as compared to Afghanistan at 199 and Indonesia at only 39). Recent estimates place the Balochistan under-five mortality rate at 89 deaths per 1,000 live births. However, there are high differentials between males and females and rural and urban areas. For females, the under-five mortality rate was estimated at 107 deaths per 1,000 live births while for males this figure falls to 74 deaths per 1,000 live births.²¹

The Balochistan MDGs Report of 2011 puts the IMR for Balochistan at 72 per 1,000 live births. Disparities are especially high between urban and rural areas and between girls and boys. The IMR for females is reported at 82 while the IMR for males is reported at 63 per 1,000 live births.²²

²⁰ Balochistan MDGs Report, 2011, pg. 42.

²¹ Ibid., pg. 54.



PPAF supports government departments in carrying out vaccination campaigns

According to the Balochistan MDGs Report 2011, only 43 percent of infants (12-23 months) have been fully immunized as compared to the national average of 78 percent. Finally, less than one-third of the province's population has access to a Lady Health Worker and the LHW program in Balochistan. These programs will need to be rapidly scaled up if there is to be any long-term impact on child and maternal mortality and morbidity rates.



Goal 5: **Improving Maternal Health**

Latest estimates reveal an alarmingly high maternal mortality ratio, with the Pakistan Integrated Household Survey (PIHS) of 2006/7 showing a rate of 758 maternal deaths per 100,000 live births. The province has the lowest rate of ante-natal care coverage, which was 14 percent in 2004 but is given at 11 percent (based on a minimum of 4 antenatal check-ups during a given pregnancy) in the Multi Indicator Cluster (MIC) survey of 2010. The presence of skilled birth attendants at the time of birth, however, seems to have improved from 17 percent in 2004 to 29 percent in the MIC survey. The key challenges for reducing maternal mortality rates continue to pose a high threat –

²². Balochistan MDGs Report, 2011.

a persistently high total fertility rate across the province (recorded as 7.06 mean number of children born into a family in 2004), very low contraceptive prevalence, continued lack of access to ante-natal care and very low access to proper healthcare facilities for delivery.



Goal 7: **Ensuring Environmental Sustainability**

Goal 7 has been broadly defined as covering environmental policy, preserving biodiversity, access to water and sanitation and urban development. Specifically, for PPAF, the focus will be on ensuring environmental sustainability throughout its projects and supporting increased access to water and sanitation. Urban and rural disparities in access to safe drinking water and sanitation facilities are astounding. Only 25 percent of the rural population in Balochistan has access to tap water, although there have been overall improvements in access to improved sources of drinking water. The bulk of this tap water, as in the rest of Pakistan would be considered unfit for human consumption by World Health Organisation (WHO) standards. Similarly, with regard to sanitation facilities, the MIC survey finds that in rural areas over one-third (28 percent) of the population had no facility at all.

[Goal 6 which deals with infectious diseases, HIV/AIDS, etc., is not part of PPAF's mandate]



Critical reserves of Juniper forests are under extreme threat due to over exploitation

(Goal 8 which links to a Global Partnership for Development is not covered in the PPAF mandate)

Across the province overall, 62 percent of the poorest household populations have no access to any sanitation facility.

Given the above review, it is evident that Balochistan is nowhere close to meeting any MDG targets in 2015. In fact the province has been shown to be lagging behind every other area in Pakistan, and what is extremely worrisome is that trends in maternal and child mortality rates seem to be increasing rather than declining. Serious effort is required on behalf of the government, not-for-profit and private sectors if these trends are to be reversed.

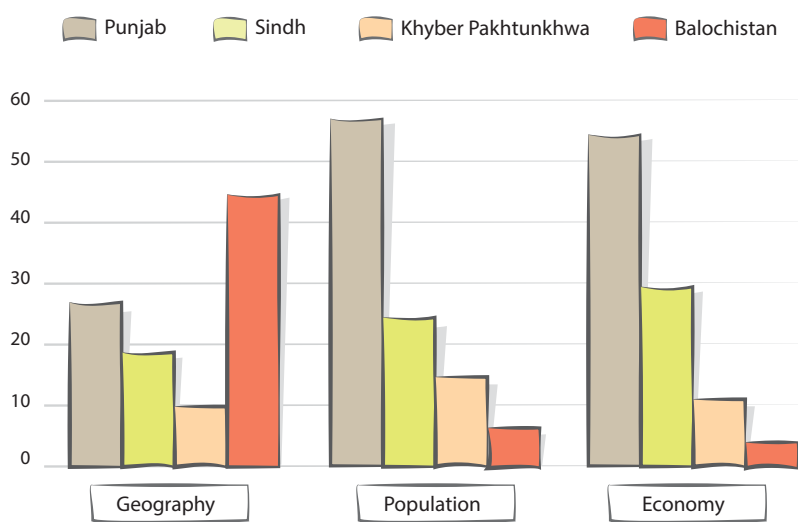
vi) Economy

There are important contrasts between Balochistan and the rest of Pakistan in terms of comparative advantage and potential sectors of economic growth. While the rest of Pakistan is a labor-abundant economy with potential growth nodes in agriculture, manufacturing as well as labor-intensive service sectors, Balochistan is relatively scarce in its endowments of human capital, agricultural growth and industrial investment. For the last fifteen years, the overall share of Balochistan in the national GDP has remained constant at 4 percent. In the service sectors Balochistan's growth potential appears to be closely connected to its integration with the national economy and other regional economies. Any growth strategy for Balochistan would need to take these differences as a point of departure.

Provincial Share in Area, Population and GDP

(percent over the four provinces) 2004/05

The World Bank "Pakistan Balochistan Economic Report", May 2008



Balochistan has the weakest long-term growth performance of all provinces. From 1972/73 to 2004/05, the economy expanded 2.7 times in Balochistan, 3.6 times in Khyber Pakhtunkhwa and Sindh, and 4.0 times in Punjab. The growth divergence has widened historic income differences and Balochistan's annual per capita income level of \$400 in 2004 was only two-thirds of Pakistan's level. Balochistan's rate of structural change and urbanization was also lower than elsewhere.²³

The quality of employment is worse in Balochistan than in other provinces. Workers produce about one quarter less than workers in Khyber Pakhtunkhwa and Punjab, and over one third less than workers in Sindh. The labor market is marked by duality, as less than one in five workers holds a regularly salaried job, of which the private sector supplies just one in four. This makes government provided employment even more important in Balochistan than elsewhere in the country. While the job quality is worse than elsewhere, workers in Balochistan migrate less than other workers. The projected increase of Balochistan's population from 7.8 million in 2005 to 11.1 million in 2025 poses major challenges for policymakers in terms of providing education and employment opportunities. The demographics suggest that the labor force could rise from 4.1 million in 2005 to 7.2 million in 2025.²⁴

The number of poor people of rural Balochistan increased from 1.5 million people in 1998/99 to 2.1 million people in 2004/05. While poverty rose in rural areas, it declined in urban areas. Manufacturing, government spending and services, Balochistan's main drivers of the economic recovery, have generated incomes in cities, but less so in villages. It is further noted that entrepreneurs and their employees experienced the lowest poverty according to 2003/04 statistics, while those employed in informal sector jobs experienced the highest. The principal challenge going forward is to ensure that rural households share in the growth experience, as in the other three provinces.²⁵

Rural Economy

The Balochistan Economic Report shows that poverty is lowest for crop and fruit farmers, and highest for livestock herders. In addition, among the group of households without crops and livestock, landless families are much poorer than landowning families. More generally, poverty is linked to rural incomes and assets, but it declines noticeably only at relatively high levels of production and ownership. Strikingly, the differences in poverty across agro-ecological zones are larger than across livelihood groups. Poverty was lowest in the cool temperate

²³ WB Balochistan Economic Report, 2008, pg.8.

²⁴ Ibid., pg. 8.

²⁵ Ibid., pg. 9.



Cropping and fruit farming are both faced with the significant challenge of access to water

highlands, where most of the orchards are located, and highest in the coastal subtropical zone.²⁶

Livestock rearing and crop and fruit farming are extremely important occupations in rural Balochistan, and key sectors of the economy, but both are faced with one major challenge – access to water. Balochistan is the most water-scarce of all provinces and the eight year drought, along with inefficient water management practices and excessive groundwater usage is creating severe environmental consequences in the province. Sustainable water usage and the safeguarding of groundwater resources thus become a core feature of any programs linked to rural livelihood enhancement and protection.

Agriculture in Balochistan has been severely hit by the drought which lasted for 8 years from 1998 until 2005. Water scarcity is thus a constant reality, both for the relatively small proportion of the plains covered by the Pat Feeder System as well as for all other areas whether rain-fed or well or flood dependent. The drought resulted in significantly reduced fruit and crop farming and current yields for major crops and fruit are still well below pre-drought levels. There are a number of other encumbrances

²⁶ Ibid., pg. 105.

related to agriculture which include the inefficient use of water, lack of infrastructure, lack of certified and uncontaminated seeds, slow adoption of technology, market development and climate change. Women's contribution towards agriculture is not acknowledged and in many districts, women are unable to own land, thus limiting their options further.

Water Resources: an Economic and Environmental Challenge

Groundwater continues to be used for agriculture even though depletion is quite severe in some districts, and the preference for tube-well irrigated agriculture which is often inefficient and unsustainable in its use of groundwater creates major problems. Simultaneously, inadequate management of land resources causes loss of top soil, declining fertility and deteriorating soil structure.

While data are deficient in many respects, the basic facts about freshwater resources are fairly well known. Balochistan, arid by climate, has limited supply of surface and groundwater, while the demand for it is ever increasing. Water is being used for agriculture, industries and mining, and for domestic use. Surface water sources are limited in the shape of *karez*s, springs, rod-kohis and rivulets. Groundwater recharge is favourable by geological formation, but the extraction rate is much higher than the recharge. According to the Balochistan Conservation



Lining of *Karez*s helps considerably in minimizing conveyance losses associated with surface water flows

Groundwater in Quetta depleting fast

Dawn.com

QUETTA, Dec 9: The level of groundwater in the provincial capital is fast dropping because of over-exploitation and in the next 15 to 20 years there will be a serious shortage of the commodity, according to a geoscientist.

“Many studies have revealed that the groundwater level is dropping alarmingly and the Quetta aquifer may be exhausted within next 15 to 20 years because the groundwater recharge has not kept pace with the discharge from it,” Razzaq Khan Khilji, told Dawn. He said the Quetta valley received approximately 185mm precipitation every year, of which a very small amount was recharged. Because of non-existence of

a proper conservation strategy a huge amount of rainwater was lost in the shape of runoff or outflow from the Quetta sub-basin.

Mr Khilji, who is also the chairman of Balochistan Geo-scientists Association, said the rates of pumping exceeded the rate of natural recharge and scanty annual rainfall and over-suction of water from more than 2,000 wells for domestic use and for irrigation purpose had resulted in steady decline in the groundwater level.

Poor governance and lack of interests and commitment by the government and public sector was aggravating the problem, he said. He said that one option which was cheap and practiced since

centuries to resolve this problem, was the use of low groynes (from boulders or gabions) across a water course, that reduced velocity, but increased depth and charge slightly, and thus improved percolation while keeping the self-cleaning transport capacity.

He recommended that besides delay action dams, other recharge facilities (spreading structures) might be applied which included recharge wells, recharge ponds, ditches, trenches and furrows especially prepared with a filter bed depending on the quality of water from source, the hydro geological boundary condition and the amount of water to be recharged.

— December 9, 2011

Strategy (published by IUCN and government of Balochistan in 2000), within the next 50 years, over 90 percent of all available sources of water in the province will be fully used, with 86 percent of this dedicated to agriculture. All of the province’s share of Indus waters will be used, together with all of the groundwater reserves and most of the water from surface runoff and floods. Harnessing flash floods will be an enormous challenge. In cities such as Quetta, the gap between supply and demand is growing rapidly.

The biggest challenge is the current preference for tube-well irrigated agriculture which is often inefficient and unsustainable in its use of groundwater and hence creates major problems. Simultaneously, inadequate management of land resources causes loss of top soil, declining fertility and deteriorating soil structure. In terms of produce sales and distribution, local markets are negligible and fruits and crops have to be sold to larger markets, involving the use of middlemen which

results in reduced bargaining power over prices thus constraining incomes. There are extremely few small or medium enterprises that produce value added products or support services linked to improving market access and/or creating local markets for such goods.

Evidence from various economic approaches to rangeland and forest/fisheries management is that the root cause of poverty on the rangelands is land degradation and overstocking. Economic security can only be enhanced in volatile environments by paying close attention to ecosystem productivity and sustainability.²⁷ Market conditions also play a key role in shaping incomes and livelihoods on the rangelands.

The responsibility for rangeland management is spread across several ministries including: the Ministry of Environment (for land and forage), Ministry of Food, Livestock and Agriculture (livestock and extension services), Ministry of Roads (transport infrastructure). The low funding and dispersion of responsibilities, in a system where institutional coordination is weak, have hindered developing a comprehensive and integrated management system.

Distance from market hubs, high transport costs, absence of processing capacity, and lack of information on market prices remain the major obstacles that have limited product markets to being small, volatile and sensitive to the frequent supply shocks due to weather. Any reforms or policy shifts around market access need to be accompanied by complementary supply side measures that take into account ecosystem productivity, sustainability and improved livestock management techniques.

Large Scale Physical Infrastructure

Although Balochistan still remains largely rural and remote, past decade has seen some mega infrastructure projects in the province. These included development projects such as the Coastal Highway, Kachhi Canal, Gwadar Deep Sea Port, Meerani Dam, Subukzai Dam, Gwadar-Khuzdar Highway, with an extension to Rato Dero linking it with Indus Highway, Quetta's water scheme, and a railway line from Gwadar to Kandahar. Apart from these, many interdistricts roads in the northern part were reconstructed and improved. These helped shorten the distances across the province and improved logistical maneuvers. However, southern Balochistan still lacks such investments. The province still lags way behind in terms of rural electrification and gas supplies. Such lack of infrastructure inhibits large scale economic activity in mining and industrial sectors, for which the province has a high potential.

²⁷ Balochistan Economic Report, pg. 115.



Makran Coastal Highway is serving as a critical physical infrastructure scheme present in the province

Land and Property

Tribal conventions in some ethnic groups do not allow property ownership on the part of women. Entitlements to common property resources in these ethnic groups are also regulated and measured with reference to male family members. Even among highly egalitarian tribes – that is, those where “all” tribe members have equal shares in common property resources which they exercise and enforce – the privilege does not extend to women. Yet it is women who contribute to much of the economic value of common property resources. Women’s labor – such as grazing animals, fetching water, gathering herbs and firewood and undertaking other tasks – often remains unacknowledged and unpaid. Almost one in three rural households had neither land, nor crops or livestock and landless families are considered to be much poorer than those that own some land. Tenancy is widespread only in the canal commanded areas of Nasirabad, where close to two-fifth of the farmers rent land. In addition, much of the land in non-settled areas is under the discretion of tribal chiefs, but there are no official statistics detailing ownership patterns. Most land plots are small and according to the Agricultural Census of 2000, five in six farms in Balochistan have an area of less than 10 hectares, covering no more than 36 percent of the provincial cultivated area.²⁸ Improvements in land administration and land titling could facilitate efficient use of land and increase security of tenure, thus enabling tenant farmers to have improved security and sustainability of income.

²⁸ Ibid., pp. 121-122

Extractive Industries - Mining and Fishing

Apart from the Saindak and Reko Dik copper and gold mines in the Chagai district, most of the minerals potential of the province remains unexplored. Saindak Copper-Gold Project is in a more advanced stage, where mining is being carried out by a Chinese company, taking 50 percent of the revenues, while 48 percent go to the Government of Pakistan and 2 percent to the Government of Balochistan. Reko Dik mining is facing problems due to conflicts between the international mining company and the Balochistan Government.

Apart from these, despite the globally rising mineral prices, Balochistan has not yet been able to exploit adequately its geological potential. Balochistan has more than half of the national prospective geology for minerals, yet it contributes just over one-fifth to national mining GDP, and leads only in the production of coals. The mining sector is held back by low funds and low productivity. Overcoming these deficiencies requires Balochistan to respond to an array of complex issues facing global mineral industries. Clearly, there has to be an enabling environment to attract and retain private investments. But in addition to investor-friendly regulations, a modern minerals sector requires good governance and transparency to ensure that poor people benefit from extractive industries, environmental and social risks are mitigated, and the rights of people affected by sector activities are protected. The sector should not only provide substantial tax and royalty revenues, but also create direct and indirect jobs, stimulate spin-off industries, and contribute to local infrastructure and other development needs in mining areas.

To shape a mining sector of this kind, mining sector growth should be guided by two objectives. First, the people of Balochistan, and local communities in particular, should benefit from extractive industries that impact them. Second, federal and provincial governments should develop sufficient capacity for promotion, fiscal and regulatory enforcement, and overall good governance of the sector to ensure a sustained economic expansion.²⁹

Balochistan's coastal and marine resources remain largely untapped and contribute only one sixth of the national fisheries value added. Most of the catch comes from what has been delineated as zone 1 (12 miles out from the coastline). However, low productivity is rooted in the many problems experienced by poor fishermen – for example, small and dilapidated vessels are unable to reach many fishing grounds and yield low catch; harbours and auction halls are below standard, congested and fail international health and safety standards; fish is a highly perishable commodity and

²⁹ Ibid., pg. 35



Coastal areas of the province have considerable marine resources which remain largely untapped

there is little provided in terms of modern processing and packaging units that can observe international export quality standards. Hub and Uthal Tehsils of Lasbela district serve as the industrial hubs of the province. Being at a close distance to the business capital of Karachi, a lot of manufacturing activity takes place here. These activities create a lot of economic activity in the shape of employment generation, but have been benefiting migrant workers from Karachi and other areas of the country. Prime reason for this remained the low skill levels of the local populace, with low rates of education and vocational training.

Economic development will be meaningful if it leads to substantial reductions in poverty, the rise in literacy levels, improvements in health outcomes, and the eradication of gender inequalities. However, successful social and economic development must necessarily include the underlying qualitative dimensions of improved governance, accountability and inclusive and visionary policy-making. This implies greater autonomy for individuals to participate in markets, and in civil and political life, regardless of prior kinship, tribal or ethnic association. It implies the empowerment of women and the elimination of discriminatory traditional practices against them. Specifically, development will require widening access to economic opportunities, expanding the domain of competitive politics, reducing the reliance of people on traditional social organization, and challenging patriarchal norms and practices.

Chapter 3

The Strategy

i) Vision, Objectives and Outcomes

Our Vision for Balochistan

A peaceful, prosperous, and economically strengthened province with strong ties to the federation, where, security, justice, equity and enlightenment are predominant and communities have been empowered to lead their own development in a sustainable fashion.

Strategic Objectives

For PPAF, setting strategic objectives for the Balochistan Strategy provides the framework within which we can work and against which we want to achieve results. The following three objectives have thus become the key factors around which the rest of the strategy revolves;

- A) Ultra-poor and vulnerable communities move out of acute poverty and have significantly improved human development levels (as measured by the poverty head count, MDGs and social and environmental indicators)
- B) Significantly increased access to financial services and strengthened linkages to provincial, national and international markets for communities across Balochistan
- C) Empowerment of local communities through the strengthening of effective and sustainable institutions for and of the poor which are based on a set of core values emanating from environmental and social responsibility

Expected Outcomes

Our expected outcomes provide us with the benchmarks against which we can monitor progress as well as evaluate impact and intended or unintended consequences which come about as a result of actions we have taken. PPAF felt it expedient to identify both long-term and short-term outcomes, against which indicators to measure progress can be created and measurements conducted on a regular basis. We have designed the outcomes to reflect both qualitative and quantitative



Empowering local communities to form their own vibrant, inclusive and well-governed institutions

improvements in individual and community well-being, as neither poverty nor development reflect simplistic monetary improvements.

UN Definition of Poverty

‘Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one’s food or a job to earn one’s living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation.’

Outcome 1

By year 2020 there is at least a 50 percent achievement in specific indicators linked to the following Millennium Development Goals in communities supported by PPAF and its POs.

MDG Targets

■ **Goal 1: Eradicate Extreme Poverty and Hunger**

Target 1: Halve, between 1990 and 2015, the proportion of population living on less than a dollar a day

Target 2: Halve, between 1990 and 2015 the proportion of people who suffer from hunger

■ **Goal 2: Achieve Universal Primary Education**

Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to finish a full course of primary schooling

■ **Goal 3: Promote Gender Equality and Empower Women**

Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015

■ **Goal 4: Reduce Child Mortality**

Target 5: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate

■ **Goal 5: Improve Maternal Health**

Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio

■ **Goal 7: Ensure Environmental Sustainability**

Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water

Outcome 2

By year 2020 at least 200 apex level institutions of the poor and/or cooperatives (i.e., those amalgamated and registered at the UC or district level) are fully functional, have institutionalized participatory governance systems, are economically viable and are linked to national and international markets.

First Phase Expected Outcomes (by 2015)

In order to ensure that PPAF is on the right track in terms of achieving its long term objectives, a qualitative roadmap is designed to provide some benchmarking which could guide the types of programs being taken

forward over the first 3-year period. The following is a list of expected short-term outcomes that reflects the focus on early gains/quick wins which can pave the way to more substantial longer term development impact: By 2015;

- net enrolment rates for girls and boys in targeted UCs reach 60 percent of total school-age population
- Lady Health Workers (LHWs) and/or Lady Health Visitors (LHVs) are present in and serving 100 percent of communities in the targeted UCs and there is a 25 percent increase in antenatal and post natal check-ups at public health facilities in project areas
- at least 30 percent of ultra-poor households in targeted UCs will have graduated from less than 19 to more than 19 scores on the poverty scorecard
- at least 60 percent of the communities within targeted UCs are provided water supply and sanitation
- at least 40 Union Council level organizations (of which at least 30 percent are women's organizations) are created and active in bringing development opportunities to their communities
- at least 8 successful models of value-chain improvements/backwards and forwards corporate linkages have been established across the province
- at least 5 successful models of natural resource based livelihood initiatives have been tested and established in selected districts (can be orchards, forests based, fisheries based, rangelands, tourism, etc. these will be demonstrative of livelihood generation through sustainable management of natural resources)
- Rights-based approaches, environmental sustainability and inclusion of marginalized/excluded groups (from within the target communities) have been integrated into all PPAF funded programs in the province

ii) Thematic Foci

a) **Institutional Development and a Focus on Rights and Empowerment**
Social inclusion and the empowerment of women becomes a substantive component of this strategy as it is strongly linked to the creation of an enabling environment that brings together the demands and voices of the most vulnerable and marginalized groups and allows them to be acknowledged and supported in articulating and implementing a vision of their own development.

Human Rights-Based Approaches Imply;

- 1) The active and informed participation of the poor in policies and strategies that affect their development.
- 2) The accountability of not only policy makers but of all individuals/organizations whose actions affect the poor (these include CSOs, government, and community/tribal/religious leaders).
- 3) The recognition and enforcement of the principals of equality and non-discrimination.
- 4) Empowerment – ‘a process of increasing the capabilities of poor individuals or groups to make [informed] choices and to transform those choices into desired actions and outcomes, and to participate in, negotiate with, influence, control and hold accountable the institutions that affect their lives.
- 5) The acceptance of international human rights law and standards as the normative framework within which we work.

A key element of social mobilization must therefore focus on institutional capacity building. Our mapping of civil society in the province has highlighted a number of critical gaps and needs that require to be addressed if civil society is to succeed in taking forward sustainable development. PPAF will lead the way in nurturing and strengthening local grassroots organizations, through providing trainings on organizational development (structures, processes, values), as well as building upon identified needs for thematic and social sector expertise. Areas of work will include;

- Social mobilization
- Institutional structures and strengthening (inclusion, participation, good governance, accountability and transparency)
- Project planning & management
- Record keeping & documentation
- Financial management
- Resource mobilization & management

In pursuit of the MDGs and the sustainability of community institutions, the PPAF encourages POs to propose practical ways of enforcing their own accountability as well as ensuring transparency and accountability in all decision-making and activity implementation within the community organizations. This is where the human rights-based approach to poverty reduction is of significance to our work.



Innovative solutions are a part of PPAF philosophy of integrated development

b) Integrated, Innovative and Holistic Development

PPAF's approach to integrated development is based on the amalgamation of five important assets which make up the process of integrated development;

- Natural capital
- Physical capital
- Financial capital
- Human capital
- Social capital

For an integrated framework to function effectively it is imperative that the stock of social capital should be high, followed by a conscious investment in human capital, while sustaining the natural capital. This means that building trust and information networks within communities, and between communities, civil society and government is an essential building block in all our programs.

c) The Value of Consortia and Public-Private Partnerships

PPAF's view of a consortium is intrinsically connected to the need for it to expand its remit to include smaller NGOs and CBOs working in Balochistan that may not, on their own, be able to access PPAF funding.

PPAF is keen that any current and new Partner Organizations identify and create networks/consortia of a variety of organizations working in their target districts and link up with them to plan integrated development programs for Union Councils and districts, with each consortium member providing skills and expertise on what they are best equipped to do, within the program framework.

Similarly, PPAF is keen to develop public-private partnerships, especially where it comes to building livelihood capacity within communities, and identifying social innovation or entrepreneurship that can take a local product and link it up to local and national markets. PPAF has supported an initiative by our partner in Soon Valley to link up farmers growing potatoes directly with the company manufacturing Lays Chips, and the results have been positive. We intend to apply similar approach of linking up the local produce to viable markets in Balochistan and beyond.

PPAF has recently constituted a Health Development Forum to support improved provision of healthcare services across Balochistan. The Forum includes a mix of public sector representatives (GoB), representatives from Partner Organizations, international organizations and the media to strengthen collaboration on strategy and implementation that can bring about improvements in access to health services by poor rural communities.

d) Youth Leadership and Development

Pakistan has a large population that can be categorized as falling within the UN's definition of youth, i.e., between 15-24 years of age. An estimated 63 percent of the population falls under the age of 25 years. The population statistics in Pakistan clearly show that within the next decade, there will be a need to ensure job creation and economic opportunities are present for the majority of young people, if they are to have a chance to escape poverty.

Young people are empowered when they understand and acknowledge that they have or can create choices in life, are aware of the implications of those choices, and can make informed decisions freely. In Balochistan, the economic neglect, security issues and socio-political context means that young people are living in an extremely volatile and insecure situation. Through its new strategy, PPAF aims to support youth as active participants in development, empowering them to improve their skills, capabilities towards building an open and progressive



Young people are empowered when they understand that they can create choices in life

environment supportive of their personal and economic development. The following areas of work will form part of our youth strategy:

- **Education and Training** – Out of school youth need to be targeted urgently if they are to become productive members of society. Literacy courses need to be offered to this group but linked to skill-development, in order to enhance their productivity potential. PPAF is keen to link up with the provincial education department as well as academic institutions and training organizations to develop a focused strategy on youth education and training
- **Economic Participation** – Encouraging entrepreneurship, developing forward and backward linkages, providing skilled labor to companies that may be interested in investing in Balochistan's rich resource base, will be part of the livelihood and credit program that PPAF is keen to take forward in the province. Youth will be targeted for skill development in specific occupations, and will be nurtured and mentored to encourage entrepreneurship and contribute to economic progress
- **Promoting Inter-Provincial Youth Dialogue and Cooperation** – Bringing youth of Balochistan into contact with youth of other provinces, to debate and discuss issues they face, and to be able to develop innovative solutions to shared problems

The Chamalang Education Program, an initiative by the Chamalang Tribal Education Committee is one of the innovative models being supported by PPAF. The Committee identified all out of school children in Kohlu district and has enrolled all 3,000 of them in educational institutions, even going so far as to sending 100 children to Quetta to enable them to complete their education.

e) Investing in Poverty-Environment Linkages

Balochistan is endowed with a variety of natural resources, and the livelihoods of the people of the province are highly dependent on their surrounding endowments. Traditionally, livestock grazing, orchards, and limited mining (stone quarrying in the past, more sophisticated in present) have shaped economic activity in the region. Moreover since it is at the juncture of three significant trade routes (between South Asia, Central Asia and the Middle East), trade has also been an important source of income. These occupations have been, and continue to be, shaped primarily by access, climate and water resource availability.

The poorer the communities, the greater is their dependence on their surrounding natural resource environment. Taking strong note of these linkages, PPAF will revive, revise and sustain the indigenous production and economic models, through innovation and adaptation, along with developing new opportunities. Only schemes that bring about positive long term results for poorer people will be considered – for example those that add value to resource extraction without undermining the future flows that would result from the available natural assets for future generations.

Water conservation and sustainable management is one of the most critical facets of ensuring the physical and economic survival of Balochistan's people. Protecting lives and livelihoods requires a focus on integrated water management in order to enable people to meet the challenges of climate change and natural disasters (Balochistan has been afflicted by drought as well as flooding in various regions over the years). At the district and UC level, the following kinds of supporting functions will be integrated into PPAF's work with communities;

- water conservation, supply and sanitation, including a focus on revisiting the traditional customs of *kareze* systems which can be revitalized through modern technology

Conservation Through Sustainable Use in Torghar Mountains of UC Sharan Jogaizi, Balochistan

The wilderness of northeast Balochistan has long been famous for its abundant and diverse wildlife. Its mountains once contained abundant populations of Sulaiman Markhor, Afghan Urial, leopard, and, in some places, Black Bear. Torghar was considered one of the most important wildlife areas of the Qilla Saifullah District. By the early 1980s, populations of Sulaiman Markhor and Afghan Urial drastically reduced, while species like gazelles and leopards became extinct. In 1984, Sardar Naseer Tareen along with few community leaders made efforts to initiate a Conservation Program and discussions with tribal representatives of the area resulted in starting it up. Society for Torghar Environmental Protection (STEP) was established to help the community to conserve and manage their resources on sustainable basis. There were estimated 200 Urial and less than 100 Markhor in the area when the program came into existence in 1985. According to the most recent survey, estimated Markhor population is about 2540 animals and that of the Urial to be about 3145 animals.

Torghar is now home to the largest population of these animals in the world. The CITES Conference of the Parties in June 1997 approved a specific quota of markhor trophies for Pakistan, based on a petition by SUSG-CAsia and the Government of Pakistan, citing the success of markhor conservation in Torghar. As per the notification of Government of Pakistan, 80 percent of the proceeds from trophy hunting are returned to the local communities to ensure that wildlife is conserved and the hunting programs are sustainable. Now the local people consider local development and collective income as the primary benefit of community-based incentive measures. They link conservation with development of their villages and believe the sustainable use of wild species had potential to pay for both the local costs of conservation initiatives as well as socio-economic development. Since 1986 the trophy harvest in Torghar has brought in a total income of US\$2,712,800 while US\$486,400 paid to the government of Balochistan as hunting fee. Torghar program has won considerable international acclaim and honors from environmental organizations and many foreign governments. Few worth mentioning are the Dutch government's knighthood in the Order of the Golden Ark, certificate of merit from HRH The Duke of Edinburgh, the French government's L' Ordre National du Merite award and CIC International's Markhor Conservation Award. Currently, PPAF and SUSG-CAsia have joined hands to upscale this model to other potential areas of Balochistan.

- Maintenance of environmentally sustainable water management and dispersing processes
- Disaster preparedness and drought mitigation including *bandaat* development, water ponds, water channels, *karez*es rehabilitation, flood water storage
- Renewable energy products and maintenance
- Enhancing community physical infrastructure in tune with the ecosystem of the surrounding area
- Supporting skill development and introduction of sustainable management practices for the above, including a focus on knowledge introduction and dissemination



PPAF supports underground water pipelines in the province to conserve limited water resources

iii) Methodology

While our approach underlines how we want to work, our methodology is linked to the realisation that a one size fits all strategy is not feasible for Balochistan. To better understand and initiate programs that reflect specific contexts and environments, we need to devise a methodology which links in to mapping the province on the basis of specific criteria, and then clustering certain districts together to form a set of clusters each with their individual strategic plan. These criteria include – physical/geographical mapping based on environmental allocations; economic mapping based on the kind of economic activities best suited to certain environments; and finally PPAF's own prioritization mapping of districts based on food insecurity and HDI levels (linking in to poverty levels).

Physical Environment/Geographical Mapping

In order to develop specific economic and livelihood linked strategies for the province, PPAF's clustering of areas will include the following four basic zones linked to particular economic activities. The four zones then comprise Highlands and sub-highlands, Deserts, Plains and the Coastal Zone.

- Zone 1:** Highlands and sub-highlands have access to groundwater, snowmelt as well as considerable surface water, so they see a lot of agricultural activity, livestock rearing and forest based production (wood and non-wood). Rangelands constitute 79 percent of the total area of Balochistan and provide more than 90 percent of the total feed requirements of sheep and goats, 40 percent of the feed requirement for pack animals and 5 percent of cattle and buffalo requirements. Their watershed and biodiversity value are thus of critical importance. These rangelands vary greatly in their ecological status and livestock carrying capacity. Their proper, sustainable use for grazing requires careful planning and good range management. The area is also a valuable source of temperate region fruit, e.g., apples and mining is a sizable activity employing both local and immigrant labor. Both activities provide exportable surpluses.
- Zone 2:** Deserts see more of trade than agriculture or livestock, and some mining as well.
- Zone 3:** Plains have access to the Indus river water, and are the irrigated districts of Balochistan, so agriculture and livestock rearing is the mainstay here. Balochistan is endowed with a unique environment for the production of a great variety of quality fruits. Natural gas is also present in the plains and the extraction of gas is a critical industry for the province.
- Zone 4:** The coastal zone includes fishing, trade, mining, and perhaps has the highest potential for development with its access to an international seaport, highways to the economic hub of Karachi and high tourism potential.

The province is known as the fruit-basket of the country producing 90 percent of grape, cherry and almond, 60 percent of peach, pomegranate, apricot, 34 percent of apple and 70 percent of date production.

PPAF Priority Districts

PPAF's prioritization of districts on the basis of HDI and food insecurity for Balochistan reveal 15 districts that fall into the top two categories of highly food insecure and lowest scores on the HDI.

Fig 6: PPAF Ranking of Balochistan Districts

Rank	District	HUDFI			PPAF Investment to Date			Total Weighted Score	Category
		Weight	Score	Weighted Score	Weight	Score	Weighted Score		
1.	Awaran	7	10	70	3	10	30	100	I
2.	Musakhel	7	10	70	3	10	30	100	
3.	Kharan	7	10	70	3	8	24	94	
4.	Kohlu	7	10	70	3	8	24	94	
5.	Panjgur	7	10	70	3	8	24	94	
6.	Khuzdar	7	10	70	3	6	18	88	
7.	Mastung	7	8	56	3	10	30	86	
8.	Loralai	7	8	56	3	8	24	80	
9.	Bolan	7	8	56	3	6	18	74	II
10.	Kalat	7	8	56	3	6	18	74	
11.	Zhob	7	8	56	3	6	18	74	
12.	Jhal Magsi	7	6	42	3	10	30	72	
13.	Chaghi	7	8	56	3	4	12	68	
14.	Ketch/Turbat	7	8	56	3	4	12	68	
15.	Washuk	7	8	56	3	4	12	68	
16.	Barkhan	7	8	56	3	2	6	62	III
17.	Qila Abdullah	7	8	56	3	2	6	62	
18.	Dera Bugti	7	8	56	3	1	3	59	
19.	Nushki	7	8	56	3	1	3	59	
20.	Sherani	7	8	56	3	1	3	59	
21.	Ziarat	7	4	28	3	10	30	58	
22.	Harnai	7	4	28	3	6	18	46	IV
23.	Lasbela	7	4	28	3	4	12	40	
24.	Pishin	7	4	28	3	4	12	40	
25.	Gwadar	7	4	28	3	2	6	34	
26.	Qila Saifullah	7	4	28	3	2	6	34	
27.	Sibbi	7	4	28	3	2	6	34	
28.	Jafarabad	7	2	14	3	2	6	20	V
29.	Nasirabad	7	2	14	3	2	6	20	
30.	Quetta	7	1	7	3	2	6	13	VI

Prioritization and geographical zoning for the top two PPAF priority areas can be mapped within the four geographical zones created, thus providing some further insight as to the most marginalized areas within the province (Priority I and Priority II districts only are included in the textbox):

Highlands and Sub-Highlands (Zone 1)

Loralai, Musakhel, Mastung, Khuzdar, Kohlu, Kalat and Zhob

Deserts (Zone 2)

Awaran, Kharan, Panjgur, Chagai and Washuk

Plains (Zone 3)

Bolan and Jhal Magsi

Coastal (Zone 4)

Kech/Turbat

While 15 districts are included in the top two priority tiers, the PPAF expects to undertake grant-based programs in all the districts in Balochistan barring Quetta (other than for microcredit programs), given its much higher HDI and food security ranking.

Integrated District Development Plans – Using the IUCN Prototype

Under the Balochistan Local Government Ordinance 2001, a system of local government has been created whereby political, administrative and financial responsibility has been devolved to provincial and district level. This is obviously pre- 18th Amendment, but the passage of the amendment further strengthens and enhances the responsibility and autonomy of provincial and local government in defining policy and identifying programs for provincial development.

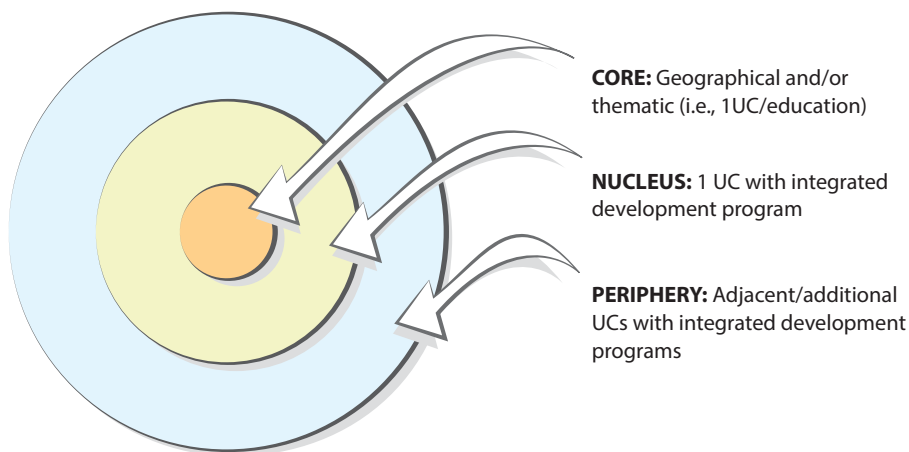
IUCN was invited by the district governments of six districts in Balochistan (Gwadar, Lasbela, Mastung, Pishin, Qila Saifullah, and Quetta), to help them prepare integrated development visions (IDVs) for these areas, which encompassed social, economic and environment sectors with a focus on short, medium and long term planning. The IDV hinged on four key principles, which mirror to a great extent, the core principles of PPAF: consultation and participation of people and communities in development planning; an emphasis on gender equity and empowerment; focus on people centred and environmentally responsible development; and, integrated sustainable programming.

PPAF considers the development of IDVs for each district an important element of ensuring sustainable and people-led development which has an impact on poverty alleviation and creates economic prosperity. It is therefore interested in working both with partners and stakeholders to develop more IDVs for districts remaining to be covered and using the IDVs already prepared as the basis for partners' future programming at the UC level.

Planning for Implementation

A scattered approach, i.e., choosing Union Councils and even districts that are geographically disparate, is not practical because it reflects a piecemeal approach, is often high cost and does not tend to provide any outcome or impact level change. In the first three year phase, PPAF expects to target UCs where we are currently established and expand out from there. Simultaneously, where we already have specific programs/projects that deal with only one sector (i.e., community physical infrastructure, education, livelihoods), we will expand them to create an integrated program for the Union Council and support this integrated development plan in order to achieve our strategic objectives. This will then be expanded to other geographically proximate UCs. This core-nucleus-periphery approach can be cost effective, efficient and support positive changes realized at outcome and impact level.

Core - Nucleus - Periphery



Where neither PPAF nor its current partners have any outreach (in UCs and districts), there are two possible options that can be introduced:

- a) During the appraisal stage, we select new NGOs and CBOs that are working or are located in the UCs/districts we would like to target. This allows expansion into new areas as well as ensures that local NGOs and CBOs are strengthened and supported to take forward integrated development programs. Such organizations can become our partners and will be supported to strengthen their own institutional development as well as undertake social mobilization within their target communities.



PPAF believes in innovative solutions for local level challenges

- b) PPAF supports mid-level organizations that are working to develop the capacities and skills of small local CBOs, as compared to supporting them directly. We need to ensure that local, homegrown institutions are supported to work within their areas. This will also help to surmount the problem of security issues which prevent many larger “non-local” NGOs from successfully working in certain areas across the province.

Finally, PPAF will continue to support improvements and innovations through a **catalyst approaches/initiatives fund** – the union councils where we have been working previously are the ideal environments within which COs and POs can begin testing and piloting innovative models for cooperative-based innovations, forward and backward linkages development, private-nonprofit partnerships and market development. These initiatives can also potentially become training spaces and knowledge banks for CBOs/NGOs from other parts of the province. The Soon Valley approach is one that we would like to replicate in areas where potential exists and where community institutions can form associations/cooperatives and are enabled to link up directly with companies looking to tap into direct sourcing options.

Ensuring Integrated Development Planning (IDP)

Where an IDV/IDP has already been prepared for a district (based on the amalgamation of UC-level development plans), the PPAF will expect its partners working in that district, to prepare their programs based on the vision and recommendations arising out of the IDP. Partners must also continue the consultations on integrated development with their target communities so as to ensure a unified approach towards long-term sustainability. A proposal for a Priority District is expected to include social mobilization and a range of interventions that would be delivered in priority UCs. Subject to discussion with potential POs, it is expected that:

- (a) Each UC-level development plan would cover at least 50 percent of all households in the UC of which 60% at least will be poor rural households, including coverage in terms of social mobilization, coverage of the ultra-poor and marginalized households, and the planning and implementation of various interventions as part of the UC level IDP.
- (b) The sequencing of interventions other than social mobilization, which is an ongoing process, should be demand-driven. POs are encouraged to determine and propose the sequencing of interventions on this basis, ensuring that demand arises from a participatory process (and is shown to involve and have a positive impact on the ultra-poor and marginalized sectors of the communities targeted).

Sub-District Prioritization Methodology

- (a) Within each Priority District, PPAF expects its POs to identify Priority Union Councils based on available indicators of poverty, backwardness or neglect. UCs in which the PO has undertaken social mobilization in the recent past may also be considered as Priority UCs.
- (b) At the household level, the PO is expected to use the Poverty Scorecard (PSC) to identify poor households and monitor their participation in specific activities. PPAF will monitor the participation of the poor on a regular basis.
- (c) Women's inclusion is essential in decision making and all relevant activities. PPAF will monitor women's inclusion on a regular basis as part of our regular monitoring system.

Coverage by category (based on prioritization of districts) and phasing over the 10-year period will be as follows:

Fig 9: PPAF District Coverage (2012-2020)

Category	Coverage Criteria			Total No. of Rural UCs	No. of UCs to be covered (2012-20)	
	No. of UCs Covered (%)				Number	%age
	Phase-I <i>(2012-2014)</i>	Phase-II <i>(2014-17)</i>	Phase-III <i>(2017-20)</i>			
I	33%	33%	34%	119	119	100%
II	25%	25%	25%	135	104	75%
III	16%	17%	17%	72	37	50%
IV	10%	10%	10%	109	37	30%
V	6%	7%	7%	70	14	20%
VI	3%	3%	4%	30	3	10%
Total				535	314	59%

Internal Management

Part of the methodology requires a review of internal working processes of PPAF, to ensure that coordination and efficiency in taking forward the vision of the Balochistan strategy is not compromised. Building ownership will require an implementation plan and coordinating structure that is also in tune with our external approach.

PPAF's integrated strategic planning process has been designed to ensure demand-driven and integrated UC plans are the instrument for project implementation and monitoring. This will remain a PPAF-wide exercise. Once proposals have been approved, all work in Balochistan will be managed by an integrated management and implementation team led by a Balochistan specialist who is of the level of senior management and reports directly to the CEO. The Balochistan team will be supported by the other departments, including MER, ESM, Finance and Administration, and will continue to call on expertise and implementation support from operational units.

(iv) PPAF's Economic Program

Over one third of Balochistan's rural population, including the rural poor, relies on non-farm activities as their main source of income. The limited size of the agricultural labor market, as well as the experience of other provinces, suggest that promoting off-farm income generation is an essential aspect of raising rural living standards, ensuring income diversification and reducing poverty. Given this situation, investing in and harnessing the natural resource potential and promoting trade

opportunities by creating forwards and backwards linkages will be the mainstay of PPAF's approach to creating economic development across Balochistan. This component aims to develop the capacity, opportunities, assets and productivity of poor communities to reduce their vulnerability to shocks, improve their livelihoods through traditional and new initiatives, and strengthen their business operations.

Strategic Foci

(A) Livelihood Enhancement and Protection

(i) Investing in and Harnessing Natural Resource Potential

Forests and Protected Areas (mostly occurring in Zones 1 and 4)

Forests are vital for maintaining the ecological balance of an area, and play an important role in the supply of wood and non-wood products. Key livelihood sectors are linked to the role that forests can and should play, including in terms of providing grazing land and wildlife habitats, access to medicinal and aromatic plants, keeping watershed levels stable, controlling soil erosion, as well as provision of recreation and eco-tourism opportunities for locals and non-locals alike.

PPAF is keen to work with communities in finding ecologically sustainable and economically productive activities that utilize forest resources. Some areas of interest include;

- Raising productivity of forests through replanting and community management
- Capacity building of locals to manage forest resources including techniques for regeneration, management of disease, protection of wildlife and wildlife habitat
- Piloting alternative energy sources and alternatives to wood fuel
- Encouraging agro-forestry for fodder, firewood, timber, soil conservation, watershed management
- Support livelihood initiatives around nurseries/plantations, sericulture, medicinal and aromatic plants and herbs, handicrafts and eco-tourism

Mining (Zones 1, 2 and 4)

The mining sector has been identified by the government of Balochistan and other stakeholders such as the World Bank as a key area of economic growth for the province. Research conducted by the World Bank on why some countries do better at natural resource extraction than others shows two specific factors which interact together to create positive outcomes;



Mining sector has been identified by the government of Balochistan and the World Bank as a key area of economic growth for the province

1. Good Governance – effective management and partnership between communities, civil society, the government and the industry; and
2. Strong revenue management which is used in a wise and sustainable manner and is not undermined by corrupt practices.

For PPAF and its partners, the key focus around mining will be the social and economic mobilization of the communities living in areas where mining concessions and options are granted. It is essential that communities are aware of, and have access to, complete information in relation to the short, medium and long-term impact that the industry will have on themselves and their environment, and to plan for the sustainable uplift of the community. PPAF will also aim to ensure that Strategic Environmental and Social Assessments (SESAs) which analyse the regional impacts (as compared to the impact of an individual mine) are carried out and their findings shared with the community. Community organizations will be supported to participate directly with counterparts in government and the mining companies to plan, implement and monitor the recommendations contained within the SESA. PPAF will also look to creating backwards and forwards linkages around the mining industry by;

- a) The creation of skilled workforces from within the local communities that are linked to the processes and/or products which need to be developed around the extractive industry- this will include vocational and skills training

- b) The creation of small enterprises to cater to the needs of the mining workforce
- c) Improved infrastructure around the local community to improve quality of life and enhance potential opportunities for linkages and trade where relevant
- d) Supporting primary and secondary education as well as extensive vocational and technical training facilities to be developed in the district

PPAF would also be interested in supporting initiatives that take forward the transparent management of revenues as detailed under the Extractive Industries Transparency Initiative (EITI), an international alliance that creates partnerships between international/national civil society, government and industry in countries where mining concessions are granted. What may need to be created in the meantime is a sub-national EITI which involves the government, local communities/civil society and the mining companies that have won concessions. PPAF will work closely with partners and other stakeholders to take forward this initiative with the aim to ensure that communities are actively participating and benefiting from resource extraction within Balochistan.

Fishing/Fisheries (Zone 4)

While Balochistan accounts for two-thirds of Pakistan's coastline, it contributes less than one-third to the country's marine fish production. Small scale fishing and traditional fishing villages fall under the jurisdiction of provincial government fisheries departments and are allowed to fish within 12 nautical miles of the coast (Zone 1). The bulk of the catch in Balochistan comes from zone 1.

PPAF encourages the creation of public-private partnerships that can increase private sector investment in fishing off the Balochistan coast, and could potentially lead to the development of forwards and backwards linkages that can result in job creation and enterprise development along the coastal belt.

At a micro level, however, PPAF will support private sector companies and Partner Organizations to work with local fishing communities in order to identify areas of economic activity that can be strengthened and brought up to minimum quality standards so that fish and fish-based products can be supplied to cities such as Karachi, with the potential for export to neighbouring regions as well. Specifically, PPAF will encourage a focus on;

- a) Sustainable fishing and the creation of environmentally responsible opportunities for increasing catch/aquatic farming processes, etc.
- b) Skill development for coastal and marine related occupations
- c) The creation of small and medium scale enterprises to provide support services to companies and/or fishing communities (energy, infrastructure, communications, packaging)
- d) Creating opportunities for investment and future markets through linking up with national and multi-national corporations

(II) Agriculture and Livestock Support and Management

Agriculture (Zones 2 and 3)

Agriculture is currently the most important sector of Balochistan's economy and contributes as much as 52 percent of GDP. However, only about 17 percent of the land is arable and a majority of that is not cultivated, primarily because of lack of water.³⁰ Balochistan's diverse climate and topography create some unique opportunities for agriculture (e.g., horticulture), but there are many challenges in achieving breakthroughs in this area – with water featuring as the key constraint.

PPAF support will encompass the following areas of work;

- Improved crop yields and management techniques: Identification of new, sustainable and environmentally feasible crops, use of certified



Water storage reservoirs constructed by PPAF have ensured agricultural development and groundwater recharge in arid Balochistan

³⁰. Report on Evaluation of Food Security and Poverty Alleviation In Arid Agriculture Balochistan, Management Systems International (MSI), USAID <http://www1.usaid.gov/pk/downloads/eg/FAQ.pdf>, pg. 3

- seed and efficient uses of fertilizer, creation of seed banks and food banks for periods of drought/hardship, diversified farming techniques
- Orchards: Introduction of alternate fruit trees (almonds, olive etc.) and improved apple and grape varieties and shifting to alternative cropping patterns as required
 - Vegetables: On & off-season and for both home use and as produce for local markets
 - Development and/or upgradation of water storage, delivery and management facilities
 - Post-harvest technologies related to picking, grading, storage, packaging, marketing and supply chains
 - Market intelligence including market information, training, dissemination & exposure, knowledge creation and sharing
 - Development of local markets and marketing groups in order to create linkages with big markets and exporters, including supporting specific product focused enterprise development

Livestock Management (Zones 1-4)

Livestock is an important component of Balochistan's economy. The Province's rangelands may support as many as 22 million sheep and goats and according to the MSI evaluation report livestock accounts for as much as 36 percent of the value of agricultural products and contributes substantially to livelihoods.³¹

PPAF will support partner organizations to work on specific areas of livestock management as part of overall integrated development plans that can create and improve livelihoods for rural households that are most vulnerable to environmental and financial shocks;

- a) Improve supply conditions and productivity - experience shows that developing successful strategies means engaging local communities in evolving solutions suited to specific circumstances. For example, communities need to recognize the carrying capacity of their grazing land (and water) in determining sustainable herd sizes and to themselves impose grazing restrictions and bans (nagha) or rotations that allow pastures to recover.
- b) Streamlining/upgrading basic infrastructure services (refrigeration, transport, feed and water services, etc.) that are needed to integrate the livestock industry into the broader global economy.
- c) Learning from the success of public-private partnerships in other provinces (of which there are many examples amongst PPAF POs), support programs that develop dairy and agricultural input supply

³¹ Ibid., pg. 3



Livestock herding and management has been the traditional way of livelihood in the province for centuries

services, livestock health services, livestock breeding services, and technologies on feed processing and wool production.

- d) Higher priority needs to be given to developing monitoring systems and increasing access to knowledge, innovations and new technologies. Experience elsewhere indicates that when information is made available, and capacities are strengthened, pastoral communities have used this to develop economic strategies to build resilience to drought and promote sustainable livelihood practices.

(B) Livelihood Diversification Through Trade and Enterprise Development

Strengthening the foundations of trade leading to increased economic activity and thereby socio-economic uplift, will depend upon taking forward developments in the core economic sectors described above. Alongside this is the realization that trading goods and services, be it at local, national or regional/international arenas, requires subsidiary support. Key among this kind of support is the creation of private sector and non-profit/community partnerships leading to improved forwards and backwards linkages, credit facilities, improved infrastructure and value-addition through supply chain management and innovation.

Forward and Backward Linkages

PPAF and partners need to build linkages with local and multinational

corporate sector companies based in Pakistan attracting financial participation designed on the philosophy of strong corporate social responsibility and the development of local economies. The focus will be linking grassroots communities to sustainable livelihoods and enhancing economic value through the provision of skill-building, enterprise development, job placement, etc. PPAF's experience in Soan Valley, with the development of backwards linkages and agri-business for the manufacturing of Lays Chips, provides an innovative and mutually beneficial model that can be used for other similar community-company partnerships.

Affordable Credit Provision

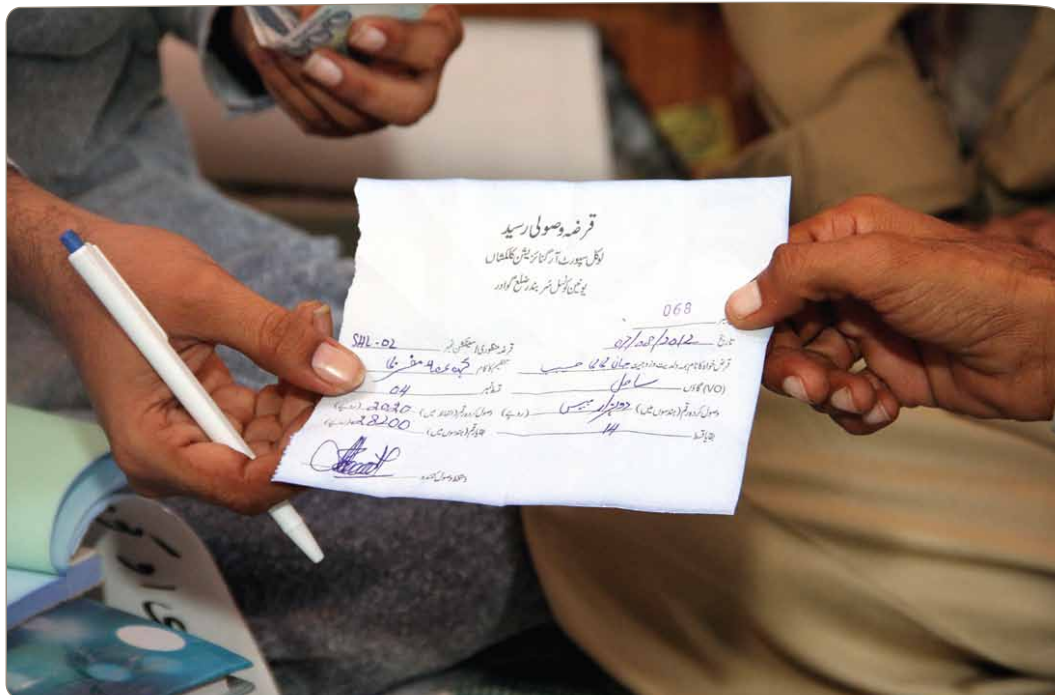
Provision of affordable credit for small and medium enterprises can lead to greater opportunities for trade to develop. Credit access to small, often informal, businesses is essential, especially in an environment like Balochistan where geographical dispersion and remoteness, lack of access to technology and market information, poor infrastructure, and security issues combine to create more obstacles for trade than experienced in other parts of the country. PPAF's historical support of microcredit has seen many successes across the country.

We are keen to use microcredit in Balochistan to bolster small businesses, and to provide social entrepreneurs with the backing and support they need to start up new businesses that could benefit not only themselves but their communities as well.

However, it is important to link microcredit facilities to poverty alleviation and not only to gains in trade and enterprise development. Improvements in income levels for poor and ultra-poor households are most beneficial if they are used towards spending on health, nutrition (especially for women and girls who are often most deprived) and education. Thus where credit facilities are extended, it may be useful to identify (through household surveys) how extra money earned is being apportioned. Reaching our MDG targets requires a concerted effort to ensure that all our work is achieving the results we want to see.

Product Development

PPAF will support the development of farm and non-farm products, the value addition to products and services by facilitating local resource development, various facets of product development including processing, quality control, and marketing. Products can be linked to livestock, farming, traditional artisan and handicraft goods. In order to



Provision of affordable credit for small and medium enterprises leads to greater opportunities for trade

ensure that enterprise and product development is supported from start to finish, we will expect POs to work with community groups, artisan groups and others around one product, ensuring the following chronological process is complete (as compared to just providing one or other support service);

- Skill enhancement and capacity building
- Product development and designing
- Technical up-gradation
- Quality assurance
- Marketing and promotional support
- Financial support through linkages with MFIs

Market Development

Improving credit access conditions, promoting forward and backward linkages, and product development are only as successful as the markets they target. The Balochistan Economic Report highlights the lack of local markets as a key constraint to economic recovery. Developing local markets and increasing access to trade hotspots like the cities of Karachi, Quetta and further afield, has to be a major focus within our programs. Roads, market infrastructure facilities, information on market prices

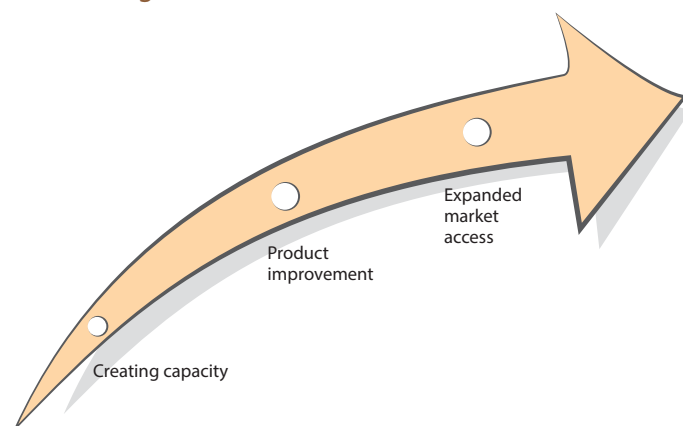
aimed at lowering the costs of market access are important tools that are needed to promote integration into the national and global economy.

Stimulating the development of local markets is as valuable as accessing national markets. There are a couple of ways this can occur – one is through accessing existing markets with the new or improved product or service that has been developed. As local earning potential increases, the demand for more goods and services will simultaneously rise. Another method is to identify local needs and priorities, and to provide related goods and services locally, thus saving on transport and/or middlemen costs. Market and product demand surveys should thus form a core part of the initial process of market development.

Other Value-Addition Support to Supply-Chain Management

- PPAF would like to support a trade expo for Balochistan to bring in national and international corporations to discuss with community organizations and local entrepreneurs/businesses the possibilities of product and market development
- Setting up agri-malls and livestock malls which allow for farmers/pastoralists to access a ‘one-stop shop’ and choose seed, fertilizer, other equipment necessary for them to become more effective producers and promoters of their goods
- Exposure visits and training sessions for those involved in key occupations in order to develop information networks, knowledge and data creation and dissemination, such as on weather patterns
- Investing in key infrastructure needs, including electricity, telecommunications, water, roads, etc., which are essential to local communities in terms of improving their livelihoods

Fig 11: **The Value-Addition Chain**



(v) Risk Analysis – Challenges and Opportunities

The earlier chapter on situation and context provides us with a rich political economy analysis of key factors intrinsic to Balochistan that must be understood and addressed if our strategy is to succeed. These factors have been taken into account in the design of the strategy, but certain elements need to be revisited to ensure that partners and PPAF both understand the risks and challenges and plan accordingly.

Security

Of primary importance, and a continuing challenge, is dealing with the volatile security situation which threatens not only lives, but also hinders opportunities for creating socio-economic change. Three areas of risk, relevant to PPAF, have been identified;

- 1) Outreach to many districts will be limited unless PPAF can link up with local, homegrown organizations, and ensure they have the capability, skills and resources to carry out programs that fit in to our approach and our core values.
- 2) Working within communities means involving all the stakeholders in the identification, planning and implementation of programs. However care must be taken to avoid elite capture of initiatives aimed at poorer groups.
- 3) Establishing links with local/district and/or provincial government departments is essential – there may be a need at some stage for PPAF to develop MoUs with provincial level ministries to take forward specific interventions. This provides the safety net for when governments change or budgets are slashed.

There are ways of mitigating some of the risks foreseen. PPAF realizes that strengthening civil society (institutions for the poor and institutions of the poor) means that a vast array of small, local CBOs and NGOs are provided with relevant skills and capacities and can access resources from PPAF as well as other donors. Supporting mid-level NGOs (and current partners) to address the needs of smaller organizations through inculcating technical and theoretical knowhow, supporting networks and consortia, bringing in relevant institutes/INGOs/specialists to work with these CSOs, will be essential if outreach to all districts is to happen. Similarly, social mobilization will need to favour a long-term approach seeking to avoid conflict with tribal leaders. However, the goal must be of

building horizontal coalitions that cut across tribal social organization, and ensuring that rights-based approaches form the core of such efforts. Slow but steady gains with respect to social mobilization (leading to equity, equality and inclusion) is the most feasible and sustainable approach to use given the complexity of the socio-political environment.

Finally, steering committees at the UC level, that include civil society, government and other stakeholders can be a vital way of linking in, and creating more responsive attitudes, among these stakeholders, thus supporting implementation of the integrated development plans that need to be taken forward. We must accept that creating parallel systems of service delivery are not sustainable or optimal solutions for the long term.

Coordination, Networking and Partnerships for Informed Decision Making

As an entity based in Islamabad, with limited provincial interface, PPAF is dependent on partner organizations to provide it with a clear picture of ground realities, especially in Balochistan. This may at times hamper our ability to identify and and agility in reacting to opportunities and threats that may have a substantial impact on our work. To ensure an independent viewpoint as well as to avoid the pitfalls of political realities that could threaten our objectivity and independence, PPAF is looking to develop strong networks with stakeholders in Balochistan that are not directly linked to us. We have agreed with a number of stakeholders working in the province, such as IUCN, Save the Children, and SPO, to develop a network to share information on security issues, programs and plans, disseminate local baseline data collected, and support monitoring and evaluation across UCs and districts at a cross-project level. A unified approach to resource mapping at the UC level is also necessary to ensure there is no duplication of projects/activities which could have a negative impact on the eco-system and communities abilities to prosper. PPAF is also keen to establish/participate in an informal local donor network to ensure coordination and harmonization of funding within a district. This can also help to ensure that double funding, duplication or replication of unnecessary activities is avoided.

Check and Balance

Monitoring and Evaluation (M&E) in insecure situations and conflict areas is an emerging and continually developing field of practice. M&E is neglected in situations of conflict and fragility for a number of reasons. Where the context is insecure and volatile, program objectives and activities are often fluid, making it difficult to maintain a coherent

approach to monitoring. Many organizations have adopted different methodologies to monitor the progress of their programs and individual projects, for volatile environments. For example, UNHCR has adopted a web based monitoring system in insecure areas of Iraq which has produced effective results. GPS enabled cameras were used for this purpose, photos were taken before start of work, during work, and on completion.

PPAF will focus on collecting information directly adduced from a variety of sources;

- Through direct interaction with community and CO members that are part of partners' programs in target UCs
- Through reports by partners and monitoring by PPAF that involves remote oversight using GPS and GIS for tracking progress
- Through external evaluations and information gleaned from third parties at various points over the life of the program
- Through audits (of Partner Organizations) conducted either by PPAF's Internal Audit or through third-party audits to obtain verification of compliance with PPAF financing requirements, adequacy of program management including physical implementation at village level, reliability of record-keeping and checks on adequacy of internal controls

PPAF is also altering its partner appraisal process to include certain criteria and requirements that POs need to fulfill, which link in to fulfilling transparency and accountability obligations within a rights-based approach framework.

The risks identified above pose serious challenges to our strategy in terms of achieving both short-term outcomes and our longer term strategic objectives. The best way to address them is to work jointly with local, national and global civil society, creating space for knowledge gathering and sharing, undertaking policy advocacy from a unified platform, and jointly identifying innovative solutions to problems that may threaten to derail our work.

Chapter 4

Monitoring and Evaluation Framework

A well thought out monitoring and evaluation framework can assist in deciding whether program strategies, objectives and planned activities are logically linked and are the most appropriate ones to implement. Such a results-based framework helps in defining relationships between inputs, activities, outputs, outcomes and impacts, and supports a focus on both process and outcome indicators linked to internal efficiency and effectiveness as well as to the achievement of desired objectives.

PPAF defines ‘monitoring’ as the regular, ongoing collection of information about a PPAF objective over time in order to understand how it is contributing to achieving that objective – or not. ‘Evaluation’ is the assessment of progress towards the objective/s through processes such as a mid-term evaluation or a final project evaluation.

A theory of change reflects the guiding steps and pathways necessary to bring about a strategic objective or long-term goal . PPAF’s theory of change is as follows:

social mobilization + integrated
development strategies (social, economic,
environment) + private and public
investment = empowered communities
and reduced poverty

Knowledge management, reflection and learning are also an essential aspect of the monitoring/evaluation continuum. PPAF must develop mechanisms that seek to ensure that internal review and reflection is a shared and continuous process, is documented, and key learnings transmitted to stakeholders both within the institution and external to it.

Effective internal learning requires regular reflection and collecting of anecdotal and other evidence to support assumptions being made. For the Balochistan Strategy to be successfully owned and implemented, these tools will form the backbone of integrated compliance.

The monitoring and evaluation framework for Balochistan envisages a number of mutually supportive actions that are linked to both process and outcomes. At its core lies the strategic objectives and outcomes identified earlier in the strategy, linked to which are a number of key indicators that will be developed and refined during the implementation planning stage.

In terms of ensuring data validity, and a focus on qualitative as well as quantitative data collection, a variety of methodologies will be introduced within M&E. For example, pre-project baselines will be carried out that reflect data collected as part of the poverty scorecard, but also for indicators linked to MDGs and quality of social mobilization.

Triangulation of Data

Ensuring accurate collection of evidence and information that provides the information we need around achieving outcomes and impact requires a variety in the way programs and partners are monitored. PPAF will employ the following methods for data collection which will also help in removing bias and confirming the strength of quantitative, qualitative and anecdotal data received. Some basic methods will include;

- Monthly/quarterly narrative and financial progress reports from POs
- Quarterly review meetings with POs at Quetta/other hubs
- Quarterly meetings with direct beneficiaries (in Quetta or at source)
- Use of Skype, smartphones, GPS tracking devices and other technologies to obtain data straight from the source
- Randomised spot checks at PO and beneficiary level
- Internal PPAF review and learning sessions
- Coordination/information sharing with external stakeholders
- Impact evaluation study through third parties on a regular basis

Baseline Data Collection

In order to substantiate claims that progress is being made, local baseline data needs to be collected by PPAF and partners. The kind of data to be collected will be based on the indicators identified for the short-term outcomes as well as longer term strategic objectives. This

process needs to include surveys (which can specifically target quantitative data collection), focus group discussions with communities (male and female separately where necessary) to identify their understanding of poverty and current status within a pre-CO formation period, and finally secondary data sources such as the MDG reports, GoB data, Census data, etc. The process of compiling baseline data will involve a collaborative model which includes PPAF, its current partners, and other NGOs/INGOs working in Balochistan. Baseline data collected will be shared with all relevant stakeholders as and when requested.

GIS Mapping

Available data will subsequently be plotted on PPAF's GIS to provide a spatial view and comparative analysis on a district by district basis. This will help internal and external stakeholders to assess PPAF's outreach and impact over the course of the coming years.

Research and Publications

We expect to strengthen our theoretical and practical understanding of development processes through the publication of research papers, policy and practice briefs and micro-level action research studies to contribute to Balochistan's knowledge economy.

Monitoring in Insecure Environments

A considerable number of PPAF High Priority districts in Balochistan fall in conflict-affected and fragile environments. PPAF has identified risks associated with operating in these areas, and intends to address those in a coherent manner (detailed MER Framework is attached as Annex C).

Three areas of risk, relevant to PPAF, have been identified in terms of working in insecure environments;

- 1) Outreach in many districts will be limited unless PPAF links up with local, homegrown organizations.
- 2) Working with communities, and ensuring integration and deepening at the UC level.
- 3) Establishing links with local/district and/or provincial government departments is essential.

There are ways of mitigating some of the risks foreseen. PPAF realizes that strengthening civil society (institutions for the poor and institutions of the poor) means that a vast array of small, local CBOs and NGOs are provided with relevant skills and capacities and can access resources from PPAF as

well as other donors. Supporting mid-level NGOs (and current partners) to address the needs of smaller organizations through inculcating technical and theoretical knowhow, supporting networks and consortia, bringing in relevant institutes/INGOs/specialists to work with these CSOs, will be essential if outreach and deepening are to be successful.

Similarly, social mobilization will need to favour a long-term approach seeking to avoid conflict with economic and local elite. However, the goal will be of building horizontal coalitions that cut across social/cultural/ethnic groupings, and ensuring that rights-based approaches form the core of such efforts. Slow but steady gains with respect to social mobilization (leading to equity, equality and inclusion) is the most feasible and sustainable approach to use given the complexity of the socio-political environment.

Finally, steering committees at the UC level, that include civil society, government and other stakeholders can be a vital way of linking in, and creating more responsive attitudes, among these stakeholders, thus supporting implementation of the integrated development plans that need to be taken forward. We must accept that creating parallel systems of service delivery are not sustainable or optimal solutions for the long term.

Chapter 5

Resource Mobilization

i) Financing Requirements

A nine-year financing plan has been identified and prepared, based on PPAF's two main areas of support – grant-based integrated development plans and microcredit facilities for small and medium enterprise development and growth.

The following chart provides an estimate by phase as well as by priority districts, as to expected resources that PPAF is able to provide under its grant-based program. However, once integrated district plans are formulated and budgeted, there probably will be a need for further investment. We hope that this further investment will be supported by our private-sector and government and IFI/statutory donor counterparts accordingly.

Fig 13: PPAF Grant-Based Resourcing Strategy 2012-2020

Category	Total No. of UCs	Phase-I (2012-14)		Phase-II (2014-17)		Phase-III (2017-20)		Total (2012-2020)	
		No. of UCs to be covered	Investment (Rs. in million)	No. of UCs to be covered	Investment (Rs. in million)	No. of UCs to be covered	Investment (Rs. in million)	No. of UCs to be covered	Investment (Rs. in million)
I	119	39	2,343	39	3,666	41	3,854	119	9,863
II	135	36	2,889	35	3,290	33	3,102	104	9,281
III	72	12	973	12	1,128	13	1,222	37	3,323
IV	109	12	871	12	1,128	13	1,222	37	3,221
V	70	4	327	5	470	5	470	14	1,267
VI	30	1	23	1	94	1	94	3	211
Total	535	104	7,426	104	9,776	106	9,964	314	27,166
Total US\$ in million			87.37		115.01		117.22		319.60

A much smaller percentage of our resources will be invested towards providing micro-finance facilities to support the creation of small and medium sized enterprises which can increase economic growth and job opportunities for poor and ultra-poor communities. This portion makes up 7 percent of the total resources that PPAF is committing to its Balochistan strategy.

Fig 14: Overview of Grant-Based and Microfinance Resources Invested by PPAF

Investment Type	Phase One (2012-14)		Phase Two (2014-17)		Phase Three (2017-20)		Total (2012-20)	
	Rs. (M)	US\$ (M)	Rs. (M)	US\$ (M)	Rs. (M)	US\$ (M)	Rs. (M)	US\$ (M)
Grant	7,426.31	87.37	9,776.00	115.01	9,964.00	117.22	27,166.31	319.60
Micro Finance	426.91	5.02	1,061.14	12.48	2,104.71	24.76	2,104.71	24.76
Total	7,853.22	92.39	10,837.14	127.49	12,068.71	141.98	29,271.02	344.36

PPAF's commitment to the Balochistan Strategy thus becomes evident through the level of financing it is prepared to make to realise its strategic objectives. While this may seem a reasonably substantial sum, we are aware that our funds alone will not make the difference in impact across the province. We envisage that the government will have an essential role to play in terms of developing larger infrastructure and economic foundations, and that the private sector must also be brought in as a key player.

ii) Investment Strategy

PPAF believes that drawing on local priorities, a concerted investment strategy that targets national and multi-national companies, international agencies and foreign donors can boost work being done within the integrated development framework at the district level. As part of this strategy we will focus on three core areas of work;

- a) Creating linkages with CSR units of local corporations and multinationals, bringing them into a shared vision of development in Balochistan, and creating avenues for their contribution towards livelihood enhancement, social development and infrastructure and disaster management. Initial targets will be companies that are currently working in the province, or those that have an interest in the opportunities we present to them and are looking at strengthening forwards and backwards linkages for particular products and/or services. This will be followed by outreach to other corporations as well as the international corporate sector to bring in both investment and philanthropy for the province.
- b) Joint interventions – we will develop initiatives with companies to co-finance particular projects that link in to expanding trade opportunities and value addition to traditional occupations (livestock, farming, fishing, etc.). The idea here is to create a shared value with such companies where they see the potential returns to

investment both in terms of profitability as well as social improvement and social impact. This will go beyond the basic CSR approach and will involve working with other departments of the companies that are focused on marketing, product development, consumer demand, etc.

- c) Last, but not least, we will approach international trusts and foundations, and donor governments from across the Middle East and Asia, to raise funds and mobilise resources with a view to encouraging philanthropic investment for Balochistan specifically. Balochistan's geographical location and proximity to regional neighbours, as well as its prime importance as a gateway to Central Asia and beyond means that it's socio-economic uplift, will be beneficial not only to Pakistan, but also to regional actors with whom we want to strengthen trade and economic relations.

iii) Communications Strategy

Building a groundswell of support for Balochistan Strategy is an essential next step in the process of implementation planning and execution. Our aim is to ensure that this Strategy remains a living document and reflects an ongoing process of engagement with communities, families,



PPAF will ensure that the objectives and vision of this Strategy are shared with the local population

partners and stakeholders, responsive to changes in context and situation, and as importantly, responsive to the feedback we receive from a variety of stakeholders. To ensure this happens, we propose to launch and disseminate this document across a variety of sectors and to individuals and organizations across local, national and international arenas.

It is also essential that we bring our ideas and vision to the local communities and the population in Balochistan for whom this strategy has been prepared. As our key stakeholders, they are the people who need to understand and own this document as much as we do. Our approach to communicate this vision will be three-fold.

- a) We will produce a short summary which emphasizes our approach and methodology, translate it into Urdu, Balochi, Brahvi, Pushto, Seraiki and Sindhi and circulate it at the Union Council level, to the priority districts and communities where we plan to work.
- b) PPAF staff will undertake a variety of activities, including interactive speaking tours, and facilitate journalists visits to explain our pledges, and instill a sense of hope and optimism, to the people there.
- c) Finally, we hope to create greater awareness on the main content of this document among the general public. We aim to do this through television and radio messages and through our various web-based communication tools.

Annexes

Annex – A

PPAF Partner Organizations in Balochistan

Partner Organization	Operational Districts	Operational Focus
1. Azat Foundation	Kharan	Education
2. Balochistan Environmental and Education Journey	Musakhel	ID, CPI, water energy, Livelihood
3. BRAC Pakistan	Khuzdar, Lasbela	Health, LEP, ID
4. Balochistan Rural Development & Research Society	Musakhel & Qilla Saifullah	CPI, E & H, Livelihood
5. Balochistan Rural Development Society	Sibi	CPI
6. Balochistan Rural Support Program	Jhal Magsi, Khuzdar, Kharan, Pishin & Zhob	ID, CPI, water energy, Livelihood, E & H
7. Community Support Foundation	Loralai	ID, Education
8. Family Planning Association of Pakistan	Quetta	Health
9. Health and Nutrition Development Society	Jafarabad	E & H
10. Human Development Foundation	Zhob	CPI
11. Idara-e-Taleem-o-Agahi	Musakhel	Education
12. National Rural Support Program	Awaran, Panjgur, Gawadar, Kech	ID, CPI, water energy, Livelihood, E & H, DPM
13. Poverty Eradication Initiative	Jafferabad, Nasirabad, Quetta	Health
14. Participatory Integrated Development Society	Kohlu, Killa Abdullah, Loralai, Musakhel	CPI, E & H, Livelihood, Water & Energy, ID
15. South Asia Pakistan - Pakistan	Kech, Gawadar	CPI, E & H, Livelihood, Water & Energy, ID
16. Society for Empowering Human Resource	Pishin	ID, E & H
17. Society for Community Support for Primary Education Balochistan	Naushki, Jhal Magsi	Education
18. Sustainable Use Specialist Group	Killa Saifullah	Livelihood, ID
19. Tehreek	Harnai	Education, ID
20. Taraqee Foundation	Loralai, Ziarat, Kohlu, Loralai	CPI, E & H, Livelihood, Water & Energy, ID
21. Water Environment and Sanitation Society	Harnai	Education, ID

ID: Institutional Development, **CPI:** Community Physical Infrastructure, **E&H:** Education and Health, **DPM:** Disaster Preparedness and Management

Annex – B

Approach, Methodology and Scope

Approach

The foundation – our core principles

Good Governance – The term ‘good governance’ has been defined as *“the management of government in a manner that is essentially free of abuse and corruption, and with due regard for the rule of law. Good governance is characterised by participation, transparency, accountability, rule of law, effectiveness, equity”*¹. Good governance matters, be it at the level of the state, or within the private or non profit sector. Where institutions are weak, and where institutional development is not a core focus, there is a real threat of compromise and corruption.

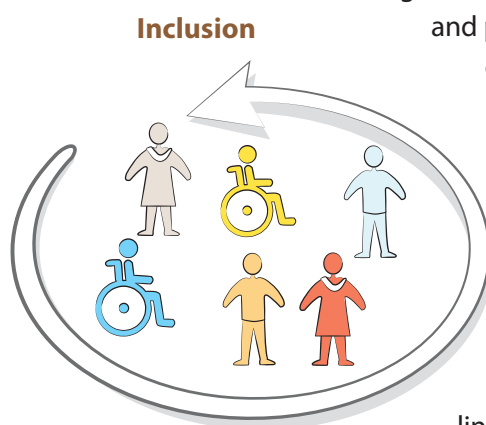
A key lesson from international as well as local programming around governance shows that creating new spaces for previously excluded groups is not enough by itself to erase deeply embedded socio-political and cultural inequalities. Other factors also need to be in place, such as political incentives, strong mobilisation, enabling legal frameworks and good institutional design.

Although elite capture within civil society and especially within national level NGOs is often a problem globally and in Pakistan (where there are issues around legitimacy, representation and resources), there is some evidence to suggest that when organised around specific goals, and working in broad-based coalitions, these bodies can influence national policies more effectively. This is because organizations with more capacity and technical expertise, such as lawyers groups, think tanks, advocacy NGOs etc., can provide the necessary technical and financial support to grassroots CBOs and social movements, and by uniting together, can achieve positive change.

¹ OECD Glossary of Statistical Terms, <http://stats.oecd.org/glossary/detail.asp?ID=7237> sources on 23 May 2011.

PPAF's focus on good governance means that we are focused on ensuring that our partner organisations can achieve optimal levels of good governance within their systems and structures, to be able to be more effective and more accountable to all their stakeholders. Similarly, we believe that community organisations formed through our social mobilization efforts must understand and own the principals of democratic and participatory governance if they are to be truly empowered to lead their own development.

Social Inclusion – Very basis of equitable development lies in the empowerment of individuals within communities who have no voice – specifically women, the elderly, disabled, widows, orphans and minority or vulnerable groups such as the ultra poor. Social exclusion occurs when individuals or groups within a country or region face discrimination or marginalization because of perceived differences on the basis of class, caste, ethnicity, language, religion, sex, disability or other such criteria. Discrimination operates through both formal and informal relationships and institutions and often leads to greater incidences of poverty and exclusion among these groups, both in relation to mainstream civil



and political life, and in economic, social and cultural activity. Socially excluded groups tend to have less access to opportunities for advancement and as a result are overly represented amongst the chronically and inter-generationally poor.

Studies on social exclusion in Pakistan show significantly lower MDG attainment among groups belonging to religious and linguistic minorities, and those in certain relationships with land, such as share croppers and bonded labour. For example, belonging to a Hindu household reduces the probability of attending school by 12% as compared to the majority Muslim population.² Children from conflict-affected areas are likely to suffer from exclusion based on perceptions of their families' affiliations. Government services are under resourced or disrupted in these areas or schools are used for accommodating displaced persons.

Within our new strategy, social inclusion is a cornerstone of the way we work. PPAF is focused on targeting the poorest and most marginalized communities and groups across the country, and especially in Balochistan.

² OPM, "A Quantitative Assessment of Social Exclusion in Pakistan", June 2005, pg. 3.

Our approach is also quite straightforward when it comes to women's empowerment. If communities are unwilling to support the formation, mobilization and subsequent activities of women's community groups within their areas, then PPAF does not support any intervention in that area. Our experience so far has shown that contrary to many expectations, once communities realise that we are not stepping back from this principal, their initial rejections to our approach are often reversed.

Accountability – Accountability and responsiveness require both vertical and horizontal channels of checks and balances, which include strong democratic institutions, and an active and informed citizenry and civil society. For example the legislature and judiciary are horizontal checks on the power of the executive functions, while the process of elections is a vertical check on political parties.

Where these institutions are weak or lacking, corruption and patronage relationships become endemic. In the absence of effective local government and community activism people lack appropriate channels to register their dissatisfaction with poor economic and social governance. As a result, communities are rarely able to challenge their elected representatives on their performance in terms of service delivery, legislation, protecting and promoting human rights, prioritization of development projects, establishing transparent mechanisms for use of public funds and formulating and implementing pro-poor public policies.

The diagram below provides a view of how accountability is built up through citizens/clients 'voice' i.e. collective demands to the state to ensure

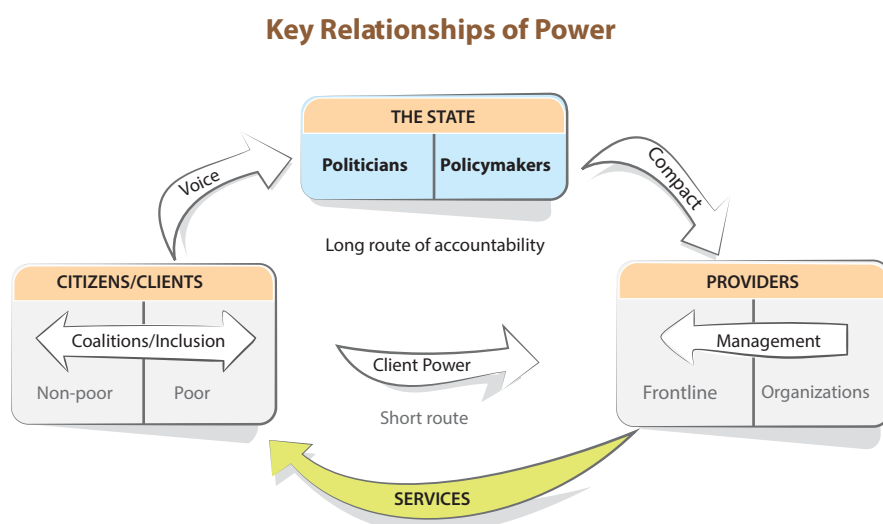


Figure 5: World Health Organisation: Diagram of Accountability to Stakeholders

that proper policies are in place (longer route) or directly to service providers, be they non-government or local government departments, ensuring that quality public services are being provided. The ideal scenario occurs when state responsiveness is efficient and free from influence by interest groups lobbying for their own specific benefits.

The diagram also works well in terms of tracking accountability within civil society. Where civil society organisations do not have effective systems in place that ensure transparency and accountability to donors, and equally importantly, to the communities they purport to help, the result is often corruption, mismanagement and/or ineffective service delivery.

In order to ensure accountability, PPAF's aim is to focus on institutional development and strengthening of its current partners as well as of the civil society sector more generally. PPAF is also keen to create transparency within its own operations, by setting strong criteria and transparent decision making processes when identifying partners, programs and funding opportunities.

Social Mobilization and a Focus on Rights and Empowerment

For social mobilization to be effective, we must seek to understand the ways in which people organize, collaborate and act collectively, as well as the barriers that prevent participation and engagement. It is also critical to monitor who benefits from initiatives to strengthen empowerment or increase accountability, and ensure that programs do not further marginalize the poor by handing more resources to local elites. However, reaching out to the poor and marginalized requires a special effort, and we will expect all programs we fund to incorporate explicit strategies to engage women, the very poor and socially excluded groups at each stage and level. Our work will, therefore, need to be informed by a strong political economy analysis, which understands local context and the power dynamics that exist in relationships within communities, and between communities and local leaders and government.

Integrated, Innovative and Holistic Development

PPAF's approach to integrated development is based on the amalgamation of various elements that are required in order to achieve sustainable outcomes and impacts in terms of poverty reduction and the improvement of the human condition. There are five important assets which make up the process of integrated development;

- Natural capital; climate, environmental resources such as forests, rangelands, fisheries, etc.
- Physical capital; buildings, equipment, tangible goods
- Financial capital; income, savings and credit
- Human capital; knowledge, skills found in individuals
- Social capital; the relationships, networks, values & networks people have that facilitate collective action and recognition by association

For us, integrated development reflects a process whereby communities and civil society, supported by government and other stakeholders, can effectively plan and implement a vision of development that attempts to address the complex and interlinked social, economic and environmental issues they face, in a manner that is participatory, inclusive and incorporates mechanisms of transparency and accountability.

For an integrated framework to function effectively it is imperative that the stock of social capital should be high, followed by a conscious investment in human capital, while sustaining the natural capital. This means that building trust within communities, and between communities, civil society and government is an essential building block in all our programs.

Integrated development is further enabled by the presence of social innovation. For PPAF, it is important to create a 'values-based' approach to innovation, whereby shared values become the foundation for making decisions and determining development priorities which reflect communities' demands and our core goal of poverty alleviation. Creating space for social entrepreneurship/social innovation - which can be defined as the *"resourceful, pragmatic, innovative, and visionary creation of a new or improved product or service to address market and/or government failures, to deliver goods and services needed to address social, economic, or environmental challenges which governments are generally unable or unwilling to tackle"*³ - then becomes a priority.

Capacity Building & Development of Institutions of the Poor and for the Poor

Capacity building of human and social capital, which includes the strengthening of institutions created at the grassroots level and institutions within civil society which support communities to realise their development vision, plays a key role in our work. PPAF realises the need to strengthen the organisational structures and systems of its partner organisations, and the CBOs they link up with, to ensure that they adhere to the critical values of democratic governance, social inclusion and

³. <http://www.innovationfordevelopmentreport.org/papers.html> - Pamela Hartigan quoted in summary of chapter on Creating Blueprints for Business in the 21st Century: Social Entrepreneurship Shows the Way.

accountability. This also applies to the creation of institutions of the poor (women's and men's community organisations, local support organisations, and village and district level networks) which need to be empowered and enabled to drive forward their own development in a participatory and inclusive manner. We provide them with skills and resources to build up their expertise in areas of social mobilisation, health, education, environmental protection, credit, livelihood enhancement, and other specialised areas which they may prefer to focus on independently. Capacity building is an essential element of the Balochistan Strategy as our mapping of civil society in the province has highlighted a number of critical gaps and needs that require to be addressed if civil society is to succeed in taking forward sustainable development. PPAF expects its POs to lead the way in nurturing and strengthening local grass-roots organisations, through providing trainings on organisational development (structures, processes, values), as well as building upon identified needs for thematic and social sector expertise. Certain POs have already outlined some ideas as to the needs of smaller CBOs – these include but are not limited to;

- Institutional structures and strengthening
- Project planning & management
- Record keeping & documentation
- Social mobilization
- Financial management
- Proposal & report writing
- Resource mobilization & management

The Value of Consortia and Public-Private Partnerships

PPAF's view of a consortium is intrinsically connected to the need for it to expand its remit to include smaller NGOs and CBOs working in Balochistan that may not, on their own, be able to access PPAF funding. PPAF is keen that any current and new partner organisations identify and create networks/consortia of a variety of organisations working in their target districts and link up with them to plan integrated development programs for union councils and districts, with each consortium member providing skills and expertise on what they are best equipped to do, within the program framework. So for example, we would assist a partner that has expertise in social mobilisation, to link up with a variety of other CSOs in its district that may have expertise in health, education, disability, livelihoods, environment, physical infrastructure development and disaster management, to plan and deliver with communities an integrated program of development. The Project Proposal Format, in our Operations

Manual, provides a strong framework for ensuring that integrated, demand-driven projects are being identified and that partners are linking up with other stakeholders to ensure solid implementation with a view to achieving impact on the ground and longer term sustainability.

Similarly, PPAF is keen to develop public-private partnerships and identifying social innovation or entrepreneurship that can take a local product and link it up to local and national markets. PPAF has supported an initiative by our partner in Soon Valley to link up farmers growing potatoes directly with the company manufacturing chips, and the results have been extremely positive. We intend to apply this model to Balochistan. We believe that private sector organisations have a key role to play in supporting the development of local product bases and opportunities for communities to provide goods and/or services that are required – thus opening up access to markets and opportunities for local industry and economies to develop around coastal or mining areas, or even in the preservation and production of traditional crafts and products.

Youth Leadership and Development

Pakistan has a large population that can be categorized as falling within the UN's definition of youth, i.e. between 15-24 years of age. An estimated 63% of the population falls under the age of 25 years. The population statistics in Pakistan clearly show that within the next decade, there will be a need to ensure job creation and economic opportunities are present for the majority of young people, if they are to have a chance to escape poverty.

Young people are empowered when they understand and acknowledge that they have or can create choices in life, are aware of the implications of those choices, and can make informed decisions freely. In Balochistan, the economic neglect, security issues and socio-political context means that young people are living in an extremely pressurized and insecure situation. Through its new strategy, PPAF aims to support youth as active participants in development, empowering them to improve their skills, capabilities towards building an open and progressive environment supportive of their personal and economic development. The following areas of work will form part of our youth strategy;

- **Education and Training** – Out-of-school youth need to be targeted urgently if they are to become productive members of society. Literacy courses need to be offered to this group but linked to skill development, in order to enhance their productivity potential. PPAF is keen to link up with the provincial education department as well as academic institutions and training organizations such as

Empowerment Thru Creative Integration (ECI), to develop a focused strategy on youth education and training

- Economic Participation – Encouraging entrepreneurship, developing forward and backward linkages, providing skilled labour to companies that may be interested in investing in Balochistan’s rich resource base, will be part of the livelihood and credit program that PPAF is keen to take forward in the province. Youth will be targeted for skill development in specific occupations
- Promoting Inter-Provincial Youth Dialogue and Cooperation – Bringing youth of Balochistan into contact with youth of other provinces, to debate and discuss issues they face

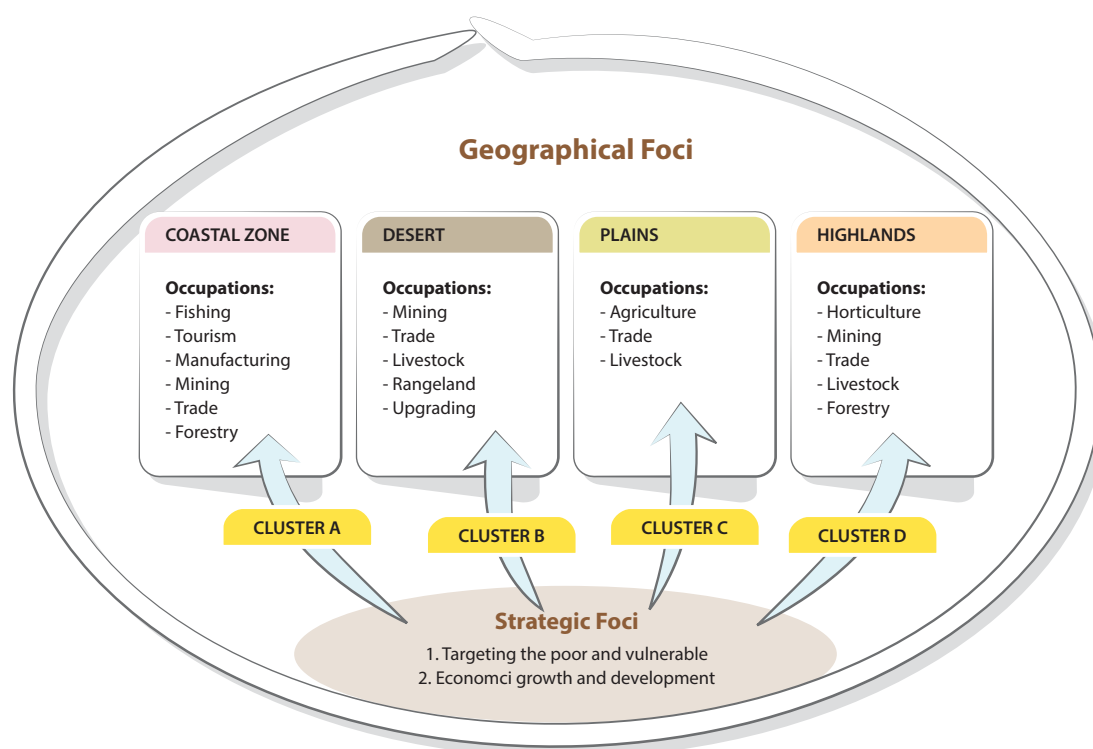
Investing in Poverty-Environment Linkages

Balochistan is endowed with a variety of natural resources, and historically, the people of the province have lived in harmony with nature, their livelihoods being highly dependent on their surrounding endowments. Traditionally, livestock grazing, orchards, and limited mining (stone quarrying in the past, more sophisticated in present) have shaped economic activity in the region. Moreover since it is at the juncture of three significant trade routes (between South Asia, Central Asia and the Middle East), trade has also been an important source of income. These occupations have been, and continue to be, shaped primarily by access, climate and water resource availability.

The poorer the communities, the greater is their dependence on their surrounding natural resource environment. PPAF will take strong note of these linkages as it believes in reviving, revising and sustaining the indigenous production and economic models, through innovation and adaptation, along with developing new opportunities. Only schemes that bring about positive long term results for poorer people will be considered.

Scope of Work

Targeting the ultra poor and ensuring inclusive and sustainable economic development for the province requires a focus on key occupations within the four identified zones and developing strategies for each based on their physical environment, indigenous resources and opportunities for economic growth and job creation. This will be conducted within a framework of human and institutional development (which includes social mobilization, social development, governance and transparency) and environmental responsibility.



SUPPORTING FRAMEWORK:
Social mobilization, social development and accountability, energy, infrastructure and environment responsibility

The Supporting Framework

Institutional Development

The purpose of Institutional Development is to strengthen institutions (such as civil society organisations and PPAF partners) that work for the poor, as well as to create and strengthen institutions of the poor. Social inclusion and the empowerment of women becomes a substantive component of this strategy as it is strongly linked to the creation of an enabling environment that brings together the demands and voices of the most vulnerable and marginalized groups and allows them to be acknowledged and supported in articulating and implementing a vision of their own development.

Social Mobilisation

Social mobilization lies at the heart of PPAF's work. Research and learning from our own and other programs (nationally and globally) has led to the realisation that social and economic empowerment within the poor are linked very strongly to an understanding of individual and collective rights

(and concurrent responsibilities) in relation to other members of society and the state.

Our experience shows that the process of social mobilization requires time for participants to consolidate a community organisation at the most basic level. More time and continuing effort is needed to build apex organisations. PPAF has therefore mandated a period of six months for social mobilization in a community before new interventions can be supported. HID also maintains an index that indicates the level of maturity of a community organisation.

Continuing on the path of our core principles, PPAF supports the formation and development of community institutions (institutions of the poor) that are democratically established and governed, are inclusive and engage women and other marginalized groups as equals, and are accountable and transparent in undertaking participatory and sustainable development. Thus a core part of our work will encompass the following actions:

- (a) Social mobilization, using participatory rights-based approaches, through which groups of individuals are supported to come together to form Community Organizations (COs) comprising poor and ultra poor households.
- (b) Where required or identified as a need by such groups, COs will be supported to create or link up to higher-level community institutions, including Village Organizations (VOs) and community institutions at the UC or district level. We expect equal gender participation at these higher level institutions.
- (c) Gender-integrated or Women's COs will be established for the maximum possible inclusion of women in all relevant interventions and the pursuit of gender equality and women's empowerment. PPAF already requires that women's COs or mixed COs are formed as part of any SM process and that women make up 40% of CO participants. Explicit and substantive focus will be placed on women's involvement in the integrated development strategies being made at UC and district level (and all COs will be expected to involve components supporting women's livelihoods/women's empowerment in their interventions).

Capacity Building – Strengthening Institutions

Building the capacity of community organizations, and smaller CBOs and NGOs working at the union council level requires that these groups be

provided training on a variety of levels. However, for skills and capacities to be developed, and for this knowledge to be retained and circulated within the organization/community, a participatory capacity review and plan needs to be created which maps out the areas and stages of training required over a particular time period, as well as provides a review and evaluation framework and communication strategy to ensure that skills and knowledge transferred to one or two individuals within the group/organization, are subsequently shared and understood by all relevant persons.

PPAF will support Partner Organizations to develop capacity building plans for members of their consortia or other local organizations needing such assistance, and will expect the process of training and skill building to encompass HRBA methods leading to improved capacities, skills and an active understanding of the roles and responsibilities these organizations share both as organizations of the poor and as organizations for the poor.

Annex – C

PPAF Monitoring Framework

1. Operational Monitoring (Operations Units)

Ongoing monitoring visits will be mandatory (joint monitoring by relevant units mandatory where a PO is working on more than one thematic component). The target number of visits ideally will be to have covered all POs at least once during a financial year. The purpose of the operational monitoring visits is to ensure activities and outputs are being delivered as per implementation plan, and to highlight gaps and challenges as observed. The Institutional Development Unit will lead in planning the annual calendar of visits to each PO. On average, the expectation is that all MEs/Managers will spend 7-10 working days a month in the field.

Mandatory Participation	Monitoring Purpose
- Institutional Development	- Review of progress against implementation plan, assessment of institutions/COs quality
- Concerned operational units having ongoing interventions	- Review of progress against implementation plan
- Finance and Admin Unit/Procurement	- Financial oversight (if required)

Please find attached a flow chart depicting the monitoring mechanism that has been made effective since August 2011. Features of this mechanism as are follows;

- Defined timelines for each step/activity
- Circulation of Back to Office Reports (BTRs) to all the units
- Maintenance of database of agreed actions and BTRs by MER Unit
- Letter of agreed actions sent to POs
- Discussion of critical issues with Group Heads and CEO
- Follow-up on the agreed actions by the concerned units
- Submission of agreed actions status reports to Internal Audit and MER on monthly basis
- MER unit will maintain the database of agreed actions and BTRs

2. Outcome and Process Monitoring (Compliance Units)

The purpose of outcome and process monitoring is to monitor PO processes as well as track progress against outcome level changes that have been identified in PPAF and donor Results Frameworks. This higher level monitoring will consist of a multi-unit team representing compliance and quality assurance and financial oversight. All monitoring visits have to be conducted jointly. The composition of the monitoring teams is proposed as:

Mandatory Participation	Monitoring Purpose
- Monitoring Evaluation and Research	- To track progress against results based framework
- Finance and Accounts	- Review of financial management systems and funds flow
- Procurement	- To review community and PO procurement procedures
- Environment & Social Management	- To ensure ESMF compliance
- Institutional Development (if required)	- Review of progress against implementation plan, assessment of institutions/COs quality

In addition to above, the Internal Audit and ESM Units will continue to conduct field visits independently. All the Units will have defined parameters/guidelines for monitoring of their respective components.

Monitoring Coverage

70% of PPAF funding has been deployed with 25 POs (having annual disbursements of Rs 100 million or more). These POs will be visited a minimum of three times during the year. (Additional visits will be undertaken where necessary).

3. Portfolio Review Meetings

The concept of monthly portfolio review meetings will be introduced with immediate effect. The aim of these meetings is to identify POs that have been red flagged through any of the monitoring visits, to ensure that this information is shared across PPAF, and that a joint decision can be made as to how to proceed. This will eliminate any chance of misunderstanding

across units and of divergent communication to the PO concerned. CEO, Group Heads and Unit Heads will participate in these meetings. The MER Unit has been assigned the responsibility to act as secretariat and will perform the following tasks;

- Review of agreed actions and unit decisions on POs
- Preparation of portfolio reports on the prescribed format
- Arranging monthly portfolio review meetings
- Taking of minutes of the above meetings
- Ensure follow-up on the decisions taken in the meetings

4. Monitoring in Insecure Environments

Background

The Pakistan Poverty Alleviation Fund has spent the past decade investing in the human, physical and economic infrastructure of Pakistan, by working through Partner Organizations that aim to serve the poor and poorest populations across the country. During this process, PPAF has come to realise that if development is to be successful and sustainable, it requires the active participation and ownership of those we aim to serve. The foundations of our approach therefore rest on three core values – good and democratic governance, social inclusion, and accountability, and in building institutions of the poor that reflect these core values.

This paradigm shift has gone hand in hand with a strategic review of our work, and in 2011 the decision was made to focus PPAF on the highest priority districts across the country, using as our criteria, three key indicators – the human development index, the level of food insecurity as measured by the UN and GoP's own identification of the poorest districts in the country. The resulting matrix of high priority districts (a large number of which are present in Balochistan and FATA), highlighted the fact that PPAF will need to strengthen its capacity to work effectively in conflict-affected and fragile environments.

Identified Risks

Three areas of risk, relevant to PPAF, have been identified in terms of working in insecure environments;

- 1) Outreach in many districts will be limited unless PPAF can link up with local, homegrown organizations, and ensure they have the capability, skills and resources to carry out programs that fit in to our approach and our core values.

- 2) Working with communities, and ensuring integration and deepening at the UC level, means involving all the stakeholders in the identification, planning and implementation of programs. However care must be taken to avoid elite capture of initiatives aimed at poorer groups.
- 3) Establishing links with local/district and/or provincial government departments is essential – there may be a need at some stage for PPAF to develop MoUs with provincial level ministries to take forward specific interventions. This provides the safety net for when governments change or budgets are slashed.

There are ways of mitigating some of the risks foreseen. PPAF realizes that strengthening civil society (institutions for the poor and institutions of the poor) means that a vast array of small, local CBOs and NGOs are provided with relevant skills and capacities and can access resources from PPAF as well as other donors. Supporting mid-level NGOs (and current partners) to address the needs of smaller organizations through inculcating technical and theoretical knowhow, supporting networks and consortia, bringing in relevant institutes/INGOs/specialists to work with these CSOs, will be essential if outreach and deepening are to be successful.

Similarly, social mobilization will need to favour a long-term approach seeking to avoid conflict with economic and local elite. However, the goal must be of building horizontal coalitions that cut across social/cultural/ethnic groupings, and ensuring that rights-based approaches form the core of such efforts. Slow but steady gains with respect to social mobilization (leading to equity, equality and inclusion) is the most feasible and sustainable approach to use given the complexity of the socio-political environment.

Finally, steering committees at the UC level, that include civil society, government and other stakeholders can be a vital way of linking in, and creating more responsive attitudes, among these stakeholders, thus supporting implementation of the integrated development plans that need to be taken forward. We must accept that creating parallel systems of service delivery are not sustainable or optimal solutions for the long term.

Monitoring the Delivery of Projects in Insecure Locations

As an entity based in Islamabad, with limited provincial interface, PPAF is dependent on partner organizations to provide it with a clear picture of ground realities, especially in conflict-affected or insecure environments. This may at times hamper our ability to identify and our agility in reacting to opportunities and threats that may have a substantial impact on our work. However, by putting in place a number of checks and balances

during planning and implementation phases, we hope to be able to ensure success on the ground. International best practice around monitoring in insecure environments also highlights certain priorities and actions which need to be instituted across the project cycle. The following sections outline these priorities.

a) Planning

To ensure an independent viewpoint as well as to avoid the pitfalls of political realities that could threaten our objectivity and independence, PPAF is looking to develop strong networks with stakeholders in insecure areas – organisations who are not partners. The idea is to develop a provincial donor/stakeholder network to share information on security issues, programs and plans, to ensure coordination and harmonization of funding within a district, disseminate local baseline data collected, and support monitoring and evaluation across UCs and districts at a cross-project level.

A unified approach to resource mapping at the UC level is also necessary to ensure there is no duplication of projects/activities which could have a negative impact on the long term success and sustainability of projects.

b) Monitoring during Implementation

Focusing on outcomes and impacts entails a monitoring and evaluation framework that is based on triangulated data collection and assessment. In order to ensure that evidence based documentation is up to quality standards, and available for both internal and external stakeholders to review, a variety of monitoring tools can be used.

- (i) Setting baselines – collecting data in insecure environments is difficult and a mix of primary and secondary data may have to be collected. For example, local partners carrying out poverty scorecard surveys, survey information (conducted by other stakeholders), or information available from government sources need to be juxtaposed together to provide a more complete picture of the situation on the ground.
- (ii) Joint reviews at the sector level – where various donors/stakeholders are working in the same districts, quarterly reviews could allow for improved information as to situation on the ground, which can inform our own analysis and oversight. Joint reviews also help avoid duplication and/or replication.

- (iii) Independent third party monitoring through firms or individuals experienced in undertaking monitoring in insecure environments. This is possibly more expensive and third party monitors may face the same constraints in undertaking direct monitoring.
- (iv) Social Accountability and Monitoring – social accountability tools can be introduced and incorporated into the work of 1st, 2nd and 3rd tier organisations and groups of youth from communities can be trained to monitor progress within their communities. Support tools such as mobile phones and cameras, community scorecards, and citizen report cards can play an important role in ensuring that projects are delivered successfully. There is also some evidence to show that corruption can be controlled as a result. A feedback and complaints mechanism should also be agreed with communities in advance, to help in ensuring their continued ownership of the project..
- (v) Consultations with beneficiaries outside project area - invite representatives of institutions of the poor on a quarterly or half-yearly basis to attend feedback sessions at PPAF
- (vi) Progress reports by partners which are cross checked with other information (media, government sources, other donor reports/analyses).
- (vii) Through external evaluations and information gleaned from third parties at various points over the life of the program.

Use of Technology/GIS in Monitoring

Adopting a web-based monitoring system in insecure areas (such as UNHCR did in Iraq) is an effective way of monitoring in insecure environments. GPS enabled cameras were used for this purpose, photos were taken before start of work, during work, and on completion.

“The provision of location-tagged photos not only enables recognition of the achievements of agencies working in difficult-to-access locations but also mitigates the potential for inflated claims in relation to the status or delivery time-line for an activity. Stakeholders can verify the GPS coordinates embedded in the photos against the location agreed to be assisted”.

When photos are uploaded, the database extracts the GPS coordinates, registering these against the UC/community group with a Google Earth interface. GPS-enabled camera phones can be provided to partners and CO members. However, a note of caution as in remote areas, GPS may not work well enough or at all.

Like photography, digital video-making can be a supplementary tool to

remote monitoring. Videoing project progress not only provides a monitoring reference for program managers who are unable to visit projects, but it has a secondary bonus of creating data that can be used at the close of the project to demonstrate to project stakeholders the project's progress, quality and impact. Video monitoring can be used in conjunction with monitoring tools such as focus group discussions. It can be used to visualize gradual construction of key project components.

PTCL EVO and smart phones can provide an excellent way to meet and interact with the communities through Skype to get their feedback on the progress of projects. It will increase the transparency of assistance (i.e. publicizing exactly what should be delivered, where and to what standard). Communities can be trained on monitoring of the projects using computers, video conference and similar facilities.

c) Next Steps

PPAF should begin to develop regional donor/stakeholder networks in Balochistan, FATA and KPK that can open up information and collaboration channels among key players. Management of these donor networks should be retained within the CEO Secretariat or in the MER Unit.

When project proposals are approved for funding in insecure environments, a monitoring and evaluation framework needs to be prepared (between PPAF and the PO), which incorporates the tools identified above in an activity timeline, with specific targets and dates around which information from each source needs to be captured and collated.

Social accountability requires a longer period of trial and testing, and requires commitments on behalf of the partners to introduce such concepts and models to their communities. PPAF needs to work with POs to strengthen their and communities capacities to manage this process. The MER unit should lead on this element.



The emblem denotes three words: *Ishq, Ilm, Amal* meaning passion, knowledge and action – the core values driving the institution.



Pakistan Poverty Alleviation Fund

1, Hill View Road, Banigala, Islamabad.

UAN +92-51-111-000-102, Fax +92-51-261-3931-33

Website: www.ppaf.org.pk