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## **EU – PAKISTAN MULTI-ANNUAL INDICATIVE PROGRAMME (MIP) 2014 – 2020**

### List of abbreviations

ADB	Asian Development Bank
AIF	Asian Investment Facility
D-10	Ten main development donors in Pakistan (ADB, WB, USAID, EU, DE, United Kingdom, JICA, China, Islamic Development Bank, rotating representation on behalf of smaller bilateral donors, UN Country Representative)
DRR	Disaster Risk Reduction
CEDAW	Committee on the Elimination of Discrimination against Women
DfID	Department for International Development, United Kingdom
DP	Development Partner
DRR	Disaster Risk Reduction
EAD	Economic Affairs Department, Ministry of Finance, Pakistan
EEM	EU Election Expert Mission
EIA	Environmental Impact Assessment
EOM	EU Election Observation Mission
EU	European Union
EUR	Single currency shared by 18 members of the euro area (also referred to as euro or €)
FATA	Federal Administered Tribunal Areas, a semi-autonomous region in north-west Pakistan
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
LEG	Local Education Group
MDGs	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
MIP	Multi-Annual Indicative Programme
MS	EU Member States active in Pakistan: Germany (DE), Denmark (DK), France (FR), Italy (IT), Netherlands (NL), United Kingdom (UK)
NATO	North Atlantic Treaty Organization
NSP	Non-State Partners
ODA	Official Development Assistance
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Finance Management
PPP	Public-Private Partnership
PTC	Parent-Teacher Council
RMF	Risk Management Framework
SDPF	Strategic Development Partnership Framework, Khyber Pakhtunkhwa
SEA	Strategic Environmental Assessment
SESP	Sindh Education Sector Plan
SMEDA	Small and Medium Enterprises Development Authority, Pakistan
SMEs	Small- and Medium-Sized Enterprises
SUN	Scaled-Up Nutrition
TVET	Technical and Vocational Education Training
UN	United Nations
USAid	US Agency for International Development
WB	World Bank

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# **EU – PAKISTAN MULTI-ANNUAL INDICATIVE PROGRAMME (MIP) 2014 - 2020**

## **1. The EU response**

### **1.1 Strategic objectives EU relationship with Pakistan and Donor Coordination**

Situated in an extremely volatile region prone to natural disasters and with a rapidly growing population of nearly 200 million people, Pakistan is a fulcrum for democratic and sustainable development in South Asia with important implications for its neighbourhood, in particular Afghanistan, China, India and Iran. Recognized as an objective and transparent partner without any historic legacy, the European Union has the potential to play a significant role vis-à-vis Pakistan. The EU – Pakistan *5-Year Engagement Plan*, adopted in early 2012, reinforces the EU's commitment to a stable, democratic and pluralistic Pakistan that respects human rights and benefits from its full economic potential by supporting sustainable and inclusive development for all its citizens. Together with the *Strategic Dialogue* launched in June 2012, the Engagement Plan provides an overall political framework for the EU to enhance its involvement with Pakistan through a comprehensive approach that links political and trade measures with security issues and crisis and development cooperation instruments. This political process reinforces the EU – Pakistan Cooperation agreement concluded in 2004, including the annual Joint Commission meetings as the principal platform for coordination of all financial and technical cooperation between EU institutions and the Economic Affairs Division of the Ministry of Finance.

Implementation of the EU's comprehensive approach for Pakistan underpins the need for closer coordination and cooperation with EU Member States. The current joint portfolio of EU humanitarian aid and development cooperation to Pakistan is around EUR 2.1 billion doubling annual disbursements to EUR 600 million as compared to five years ago. Total EU assistance amounts to a quarter of the Official Development Assistance to the Pakistan (ODA). Total flows of ODA are approximately 6 – 8% of the annual budget of the Government of Pakistan. In 2013 the EU Delegation, Germany, Denmark, France, Italy, Netherlands and the United Kingdom are implementing medium to long-term cooperation programmes with Pakistan, representing over 95% of all EU assistance to the country.

There is a large degree of similarities in goals and objectives between the EU and Member States cooperation programmes, reinforcing a strategic EU-Pakistan partnership for peace and development. Rooted in shared values, principals and commitments, it sets out clear priorities to invest in catalysing reforms aiming at: i) peace building and stabilization; ii) enhancement of democracy and human rights; iii) building macroeconomic stability with high economic growth that will accelerate job creation and reduce poverty; iv) ensuring the effective delivery of basic public services such as education, health, water and sanitation and social protection, and v) support for regional integration.

Improved coordination between the EU and one or several EU Member States and more joint interventions will enable greater convergence and synchronisation, already at the stages of planning and programme design. A more comprehensive and structured Joint Programming of EU funded activities can be considered from 2016 onwards. This timeframe allows for a full evaluation of the EU 2007 – 2013 programme along with the start-up of the MIP 2014 – 2020 and it will allow for synchronising with next multi-annual programming of Member States. Moreover, it will offer the opportunity to have additional dialogues with donors outside the EU that could be interested to join, strengthening donor harmonisation.

In general and with the exception of few initiatives related to specific sectors including the Multi-Donor Trust Fund in support of stabilisation and peace building in the western border regions, there is ample scope for improving donor coordination in Pakistan. The monthly Heads of Development Agencies meetings led by the Asian Development Bank and the infrequent so called D10-meetings organised by the Economic Affairs Department (EAD) of the Ministry of Finance, that brings together the principal donors, provide useful exchanges of information. These meetings could further benefit from programme coordination in a more systematic way. A follow-up of the latest Pakistan Development Forum, that took place end of 2010 and that was organised by the Government of Pakistan, may re-invigorate coordination of the international donor community in support of a coherent national reform agenda.

The recently launched *Strategic Development Partnership Framework* by the Government of Khyber Pakhtunkhwa stands out as a promising alternative to mobilise donors on a common platform for an interactive policy dialogue at the provincial level. Building on the existing provincial reform policies, it comprises eight strategic objectives for coordination between donors and line-departments at the technical sector, and programme level accompanied by a well-defined overarching oversight structure ensuring integral monitoring and regular consultations at the highest political level. Similar provincial initiatives for better donor coordination are also underway in Balochistan and for the Federal Administered Tribal Areas (FATA). This achievement in Khyber Pakhtunkhwa and initiatives in Balochistan and FATA show the feasibility of constructive coordination on key strategic policy frameworks, which offers good and logic opportunity for the EU as a donor, also in view of the devolvement under the 18<sup>th</sup> Amendment, for working even more at the provincial level.

## **1.2 Choice of Sectors**

Pakistan faces enormous challenges in its development due to a structurally low economic growth, high levels of insecurity linked to terrorism and increasing criminality, a vastly un- and under-employed youth population and an under-performing public administration. There is a consensus on the need for far-reaching reforms. Most hampering are the shortages in energy supply that over a period of just one decade have grown into the main impediment for economic development in the country. Whereas changes in the energy sector are commencing, comparable initiatives are also envisaged concerning the low levels of taxation and mobilisation of public resources, stagnating privatisation of government owned companies, deteriorating rail and road networks, insufficient investment in maintenance and construction of irrigation, water storage and flood management infrastructure and worsening levels of law enforcement.

The data of the Millennium Development Goals' for Pakistan show slow progress and many indicators will need more time to improve. Poverty levels have not decreased since 2008 due to persistent stagnation of the economy and successive humanitarian crises. Malnutrition across the country remains too high, contributing directly or indirectly to 35% of the death of infants under five. Over 45 million people (28% of the population) are still severely food insecure. While progress is slow in basic health care, which is not reducing child mortality nor improving maternal health, there are successes in vertical health care such as vaccinations and the reduction of incidence of major diseases. Increase in school enrolment and literacy levels, in particular for girls, is still below the ambitious targets. There is an obvious scope to accelerate the abysmal national performance, most importantly by significantly scaling-up the resource allocations for the education sector.

In May 2013 for the first time in its history Pakistan observed a normal democratic transition after the previous Government had completed its full period of five years in office and handed over power to the winning opposition. The elected Government in 2013 set clear priorities for economic reforms emphasizing better energy supply and a more conducive business investment environment. With an IMF arrangement of USD 6.64 billion under the Extended Fund Facility approved in September 2013 helping the economy rebound, strengthen the balance of payments and attract foreign investors.

The Vision 2025, approved in May 2014, is the country's long-term development blueprint which aims to create a globally competitive and prosperous country providing a high quality of life for all its citizens. It aspires to transform Pakistan into an industrialized, technology intensive, globalized and knowledge based inclusive upper middle income country by 2025. It aims at transforming Pakistan into a developed and export-led economy with strong social values by converting Pakistan's diverse cultural and ethnic heritage into its strength through promoting inclusiveness, peace and security and greater inter-provincial harmony. It looks for Pakistan with decent standard of living and \$ US 5,000 per capita income by 2025 through private sector led growth, responsive and accountable civil service, vibrant civil society and strong democratic values and institutions. The key pillars of the Vision include: energy security, sustained and inclusive higher growth, private sector led growth, modernization of infrastructure, improving Competitiveness in industry & trade, internal resource mobilization, institutional and governance reforms, harnessing potential of social capital, and revival of confidence.

Important changes in governance and delivery of public services in Pakistan will come from the full implementation of the federalisation and far-reaching devolution introduced in 2011 under the 18<sup>th</sup> Constitutional Amendment. It has provided provincial Governments with substantial autonomy in matters of taxation including excise duty on natural resources, local governance and law and order as also the delivery of education, health, agricultural services and public infrastructure. Legislation for local governance has been introduced in all four provinces, replacing the since 2010 suspended federal act. Elections for district, *tehsil* and union or village councils have been held in Balochistan and are scheduled to take place in the remaining provinces by the end of 2014. The 8<sup>th</sup> National Finance Commission will have to consider in 2014 increased provincial share of the divisible pool from the federal budget. Roles of Provincial Assemblies in legislation and oversight and the Council of Common Interest as the platform for inter-provincial coordination have significantly increased.

In October 2013, the Government of Khyber Pakhtunkhwa came up with a Strategic Development Partnership Framework. This Framework reflects a recasting of the donor-KP relationship to a peer-to-peer partnership to address regional and provincial development challenges. Following the Strategic Development Partnership Framework, in June 2014, the GoKP launched its Integrated Development Strategy aiming to provide a road map for achievement of the targets agreed in Strategic Development Partnership Framework. The Strategy integrates government priorities under one framework. There is a clear shift in emphasis toward social services, justice and security, accountability, and the participation of communities. Growth is included as a gear through which to provide livelihoods and jobs for the poor.

In response to the national development agenda, in compliance with the EU's wider strategic and political priorities as set out in the EU – Pakistan *5-Year Engagement Plan* and also based on consultations with Civil society organisations (CSOs) and private entities in early stages, the following considerations underlie the selection of sectors for intervention and define the outreach of the programme 2014 - 2020:

- Effective governance reforms are indispensable to mainstream economic development. The Government of Pakistan knows the impediments and opportunities and has the means and resources to take the required measures. International support is principally restricted to political encouragement, promoting access to private investments and potentially plays a role at the level of the International Monetary Fund (IMF) loans and trade facilitation.
- Whereas encouraging progress was achieved in the democratic transition and commitments undertaken in the area of human rights, much remains to be done to consolidate electoral reforms, parliamentary oversight and public grievance mechanisms. Improving girls' participation in education, child rights and removal of gender imbalances in access to justice, political representation and labour conditions will require significant attention.
- Pakistan continues to be affected by a spill over from the Afghan conflict, which may worsen once the full withdrawal from the North Atlantic Treaty Organization (NATO) troops in 2014 has taken place. Therefore, stabilisation and resolution of the prolonged insurgency in the Western border regions including Khyber Pakhtunkhwa, FATA and Balochistan remain top priorities in order to reduce terrorism and potential threats to further radicalisation, both in Pakistan as well as in Afghanistan and the wider region.
- Provincial Governments play a pivotal role in the improvement of basic service delivery through effective local governance systems. Upcoming reforms and the reinstatement of local councils are expected in 2014, which will expose serious lacunas in administrative capacities at all levels. International support can significantly contribute to institutional strengthening as also temporary bridging investment gaps, provided that it is properly coordinated and oriented by Government leadership and accompanied by appropriate measures to increase fiscal space and administrative autonomy at local levels.
- Persisting high levels of malnutrition, poor literacy and lack of skills have caused the growing youth bulge to be structurally impeded in their economic and social development, fuelling a vicious circle of low productivity, lack of economic growth, continuing poverty and high birth rates. Any effective and sustainable reform requires at least a doubling of fiscal resources in social sectors.
- Pakistan is highly vulnerable to the effects of climate change and environmental degradation, implying that there is an increasing risk of floods and droughts. Adding to this is a further marginalisation in the utilisation of natural resources due to the rising population and the lack of investment in protection and disaster management at all levels, ranging from more effective local governance to attracting foreign capital in hydro power and water storage management.
- Past experience and lessons learnt in particular regarding the role of women in society point to the need to strengthen gender equality and the full inclusion of women in society. This will be promoted through sector policy dialogue, and specific activities aiming at changing societal attitudes towards women's socio-economic role including through education and reform of regulatory frameworks.

In line with the *Agenda for Change* as its global policy document for development cooperation over the period 2014 – 2020, the EU seeks to maximise the impact of its assistance programme by an approach that has a clear focus on support to areas of good governance and inclusive and sustainable growth for human development. Deducting from aforementioned considerations, the EU cooperation programme for Pakistan envisages funding interventions in the key sectors: i) rural development, ii) education and iii) good governance, human rights and rule of law. In this way, there is consistency and thus a continuation of EU support in nearly the same focal sectors as in the previous programming period in order to achieve even better results and higher value of EU aid. Where possible, the EU envisages achieving potential synergies between these focal sectors in the early design stages of programmes.



To further increase the added value and impact of EU support in **rural development** it is proposed to focus on more fragile and underserved areas and communities that are unlikely to benefit from mainstream development because of structural lack of access to basic services, growth and employment opportunities, including because of their exposure to natural disasters or insurgency and terrorism, for example the marginalised mountainous areas of Khyber Pakhtunkhwa, FATA and Balochistan and semi-desert districts of inner Sindh and South Punjab.

**Education** is essential because too many children remain without proper access to schools and quality teaching. High rates of semi-literacy are both a principal cause as well as an outcome of the persisting levels of structural poverty and poor governance in the aforementioned marginalised areas. The growing awareness about social and economic exclusion in these areas has been fertile ground for radicalisation and insurgency that is increasingly affecting the security and stability of the state. Following the 18<sup>th</sup> Amendment, it will be vital to continue to support reforms at provincial level which are to ensure that existing and much needed additional resources are used more efficiently and effectively to improve inclusiveness and quality of service delivery and capacity development both in basic education and market and job oriented technical and vocational training. Whereas governance through improving public administration and budgetary management is an integral part of proposed interventions in both rural development and education, more specific and focussed attention will be promoted in the areas of public accountability, parliamentary oversight and rule of law under the third key sector **good governance, human rights and rule of law**. This foresees continuing support to reinforce federal and provincial structures as also more specific interventions in follow up to crisis measures in response to a break down in law and order due to terrorism and insurgency.

The EU is open to broadening its support to reform agendas beyond Khyber Pakhtunkhwa and Sindh especially into Balochistan, FATA and possibly South Punjab. In line with the ongoing devolution process, interventions at federal level should be reduced in favour of direct cooperation with the provincial Governments which have become main drivers of change in the three focal sectors.

## **2. Financial overview (indicative amount)**

Expected budget: approximately EUR 653 million

Sector 1: Rural Development, approximately EUR 340 million (52%)

Sector 2: Education, approximately EUR 210 million (32%)

Sector 3: Good Governance, Human Rights and Rule of Law, approximately EUR 97 million (15%)

Support measures during the identification phase, during the formulation phase, for macroeconomic and political risk assessments, for public finance management assessments, for policy dialogue and visibility, other studies and unforeseen needs: approximately EUR 6 million (1%).

## **3. EU support per sector**

### **3.1 Rural Development (EUR 340 million – indicative amount)**

#### **3.1.1 Objectives**

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

The specific objectives are to:

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

### **3.1.2. Expected results**

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

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

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

### **3.1.3. Donor coordination and policy dialogue**

The area based and community driven local development approach and its strong local governance orientation takes a lead from the understanding gained in Khyber Pakhtunkhwa in the design and start-up of the EU funded interventions in the Malakand Division of the this province. It builds on the multi-donor supported Post Crisis Needs Assessment that the Government adopted in 2010 as a stabilisation and peace building strategy for Khyber Pakhtunkhwa and FATA following the large

scale counter-insurgency operations in 2009. It brings together experiences from earlier EU funded programmes as also lessons learnt from various donor funded interventions. The design and scope of interventions has been closely coordinated with EU-Member States including the support for overarching governance related support and the division of geographical areas of intervention.

As part of the *Strategic Development Partnership Framework* worked out in 2013, the Government of Khyber Pakhtunkhwa has identified 'Improved citizen participation and bringing the State closer to the citizen' as one of the objectives and thematic areas around which it has invited for structured donor coordination. The group involves EU, Germany, United Kingdom, the WB, USAID and CH. So far no such kind of donor coordination initiatives exist in other provinces or at federal level that address rural development in the local development – local governance continuum.

In relation to promotion of economic activities in rural areas, coordination is highly fragmented and at technical level only mostly involving UN and other implementing agencies. USAID, WB, Australian Aid, JICA and Italy are important donors. The energy sector has an active donor forum at federal level lead by ADB involving the WB, USAID, JICA, France, Germany and the EU. Khyber Pakhtunkhwa is the first province that has expressed its wish in the context of aforementioned partnership framework to take an active lead on donor coordination around *Economic growth and job creation*. This also includes technical and vocational training.

The growing attention to the problem of under-nutrition (resulting in stunting, wasting, micronutrient deficiencies) finds its origin in a series of meetings between the Government and the international donors in the context of the D-10 in spring 2011 discussing the reports from humanitarian assistance following the 2010 floods. As a result a series of initiatives have been developed, partly bilateral but also as a wider Government programme covering several provinces with the possibility to link it to support through a WB managed multi-donor trust fund. Besides the WB, other donor active in the sector include United Kingdom, Australian Aid and JICA.

#### **3.1.4. The Government's financial and policy commitments**

All Government responsibilities pertaining to rural development and related sectors ranging from local governance, water and sanitation, environment to agriculture, irrigation and livestock have been devolved to the provinces under the 18<sup>th</sup> Amendment to the Constitution starting from mid-2011. Whereas there are no overarching federal or provincial policy or governance framework documents addressing specifically rural development, as a composite sector it is widely addressed and prioritised. It is an important component of the Khyber Pakhtunkhwa 2009 *Comprehensive Development Strategy*, retaken in the 2010 *Post Crisis Needs Assessment* and explicitly links to the Local Governance Act of 2013, deconcentration in public finance management as also various more specific sector and sub-sector policies. Also other provinces and FATA explicitly emphasize their priorities for rural development to reduce poverty and promote peace and stability.

Mirroring the lacunas in rural development, there has been no comprehensive and coherent approach towards the promotion of rural economic growth up until 2013. What applies is deducted from broader policy documents such as the Small and Medium-sized Enterprises' (SMEs) development policy and the 5-Year Development Plan 2013-18 of the Small and Medium Enterprises Development Authority (SMEDA).

In energy, water, disaster management and climate change there are well established national policies that orient local interventions. Joining the Scaling-Up Nutrition (SUN) movement, the federal and provincial Government of Pakistan has demonstrated its engagement to improving nutrition both from a policy and a financial perspective.

### **3.1.5. Appropriate type of environmental assessment**

When preparing Annual Action Plans, all programmes and projects that might have an environmental impact will undergo a specific environmental assessment to analyse such impact and propose mitigating measures. In these cases, a Strategic Environmental Assessment (SEA) or an Environmental Impact Assessment (EIA) will be carried out.

### **3.1.6. Overall risk assessment of the sector intervention**

The approach proposed is strongly integrated with the devolved implementation of the local governance reform. Local elections are expected to be concluded by the first semester of 2014. Any delays in this, such as the reversion of the deconcentration of the budgetary authority are likely to impact progress of the planning and design of programmes. Similarly aberrations in provincial and district budget execution, lack of progress in audit reforms or outright forms of corruption and disrespect for the democratic decision making processes poses risks leading to delays in disbursements or discontinuity in operations. As mitigation measures, programmes will all include strong support for capacity building at all levels, besides involvement of civil society and other measures to improve transparency on oversight and introduce maximum checks and balances through encouragement of public feedback.

## **3.2 Education (EUR 210 million – indicative amount)**

### **3.2.1 Objectives**

The overall objective is to accelerate human development and achieve related Millennium Development Goals by improving access, quality and governance of the education system.

The specific objectives are to:

- Improve equitable access to and completion of quality basic and secondary education for children, including reducing gender and regional disparities and supporting the potential of non-state providers (NSP), to deliver effective education services and promote learning for all;
- Improve quality of education through better teaching practices and materials, student learning outcomes, assessment systems and school management;
- Improve productive capacity and employability of workers through demand-driven technical and vocational training (TVET).

### **3.2.2. Expected results**

- Full enrolment to education for all children in the age 5 – 14 years.
- Uniform levels of good quality education as provided both by state and non-state institutions, ensured;
- Increase the demand for, and the supply of skilled labour.

Activities under this focal sector will be implemented through a sector wide approach, if feasible through sector budget support in combination with capacity development.

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

### **3.2.3. Donor coordination and policy dialogue**

Donors active in the education sector (USAID, United Kingdom, Germany, CIDA, Norway, Australia, EU) have been meeting regularly at national level.

In Sindh, the EU and the WB have supported the education sector in a coordinated and complementary way since 2007 on the basis of a common performance assessment framework and a sector-wide approach. In 2012 the Government of Sindh notified a Local Education Group (LEG), consisting of representatives of the Government of Sindh, donor community, civil society organisations and the private sector, through which it leads a structured and inclusive sector review and dialogue process in education. The LEG is mandated to support the Government in the development, implementation, monitoring and evaluation of the Education Sector Plan that has been drafted and is foreseen to be finalised and approved by end 2013.

In Khyber Pakhtunkhwa, United Kingdom is the lead donor for education, providing the largest external financing for the sector with co-financing from Australia. United Kingdom, Australian Aid and the EU have aligned their education support programmes around a common performance assessment framework, closely coordinate their sector budget support assessments and disbursements and participate with the Government of Khyber Pakhtunkhwa in 2-monthly stock-taking reviews and high level political dialogue. Other bilateral donors, UN agencies and international NGOs will also continue to support the education sector in Khyber Pakhtunkhwa during the coming years. Development partner coordination is becoming more structured and the Government of Khyber Pakhtunkhwa has re-engaged in donor coordination and indicated its readiness to take the lead.

The National Vocational and Technical Training Commission (NAVTTTC- federal apex body on technical education) set up a Donor Working Group which meets once or twice a year. This has been very effective in terms of harmonising donor intervention in the area of technical and vocational training. The main donors in the area are United Kingdom, World Bank, EU, Netherlands and Germany. Other donors include JICA and USAID.

### **3.2.4. The Government's financial and policy commitments**

Policy commitment for education is strong at the highest level, though implementation is hampered by number of bottlenecks. The *National Education Policy* of 2009 is no longer the de-jure policy for education in the provinces following the 18th Amendment to the Constitution. As of July 2011, the functions of the Federal Ministry of Education have been devolved to the provinces. Each province is responsible for developing, implementing, and monitoring an Education Sector Plan as well as ensuring the constitutional right to free and compulsory education for all 5-16 year olds.

Along with the 18th Amendment the provinces receive the corresponding increase in the resource envelope from the national divisible pool. Each province has initiated a Medium Term Budgetary Framework with a 3-year rolling budget and the education budgets are always protected. Output Based Budgeting is being encouraged, which ensures that resources are provided as per the need of the sector.

A National Plan of Action 2013-2016 for the achievement of universal primary education in Pakistan was launched in 2013. A commitment to increase resource allocation for education significantly has been made.

The provinces are at different stages in the development and implementation of provincial sector plans. In particular, the Government of Khyber Pakhtunkhwa has an approved *Education Sector Plan (2010-2015)*, which was updated in 2012. Sindh is currently in the process of finalising its 5-year *Education Sector Plan*. Punjab has an approved *Education Sector Plan (ESP)* since 2013; FATA and Balochistan are well advanced in the elaboration of such plan. Khyber Pakhtunkhwa, Balochistan, Islamabad Capital Territory and the Punjabe have successfully implemented the Curriculum Implementation Framework. Sindh, Azad Jammu and Kashmir are at different stages in the implementation of the latter.

Pakistan's Framework for Economic Growth includes a focus on employment creation in general and for youth in particular. It highlights the need to create enough employment opportunities to absorb the upcoming young labour force particularly as Pakistan's youth population currently numbers around 55.7 million and is growing. Pakistan acknowledges the need to promote marketable skills development, particularly entrepreneurial skills, among the youth with a focus on new market driven skills, particularly the skills-set that has a demand in the overseas labour market.

### **3.2.5. Appropriate type of environmental assessment**

When preparing Annual Action Plans, all programmes and projects that might have an environmental impact will undergo a specific environmental assessment to analyse such impact and propose mitigating measures. In these cases, a SEA or an EIA will be carried out.

### **3.2.6. Overall risk assessment of the sector intervention**

Key risks for Pakistan have been identified in the current country Risk Management Framework that is updated regularly. In particular for the education sector, the underlying challenge is high levels of corruption risk in the Education department combined with low staff capacity, which has led to a poor relationship between the Finance and Education departments.

Mitigating measures may include but will not be limited to:

- i. Institutional risks: continued strategic and policy dialogue with Government and donors' counterparts, use of regular contacts between Delegation and Government, capacity building, enhanced coordination.
- ii. Macroeconomic risks: support to PFM reforms in particular to increase Domestic Revenue Mobilisation and budget transparency, enhanced oversight through audits, missions and third party validations, analysis of IMF/WB, ADB programs, use of eligibility criteria in budget support programs. Where needed, the PFM risks will be mitigated through considerable capacity development and technical cooperation as part of the on-going Germany and United Kingdom funded sub-national governance programmes for Khyber Pakhtunkhwa.
- iii. Security risks: continuous follow up of the security situation and engagement with all stakeholders to allow for the most suitable implementation of programmes.

## **3.3 Good governance, Human Rights and Rule of Law (EUR 97 million – indicative amount)**

### 3.3.1 Objectives

The overall objective is to contribute to the consolidation of democracy ensuring an inclusive, rights based society and an efficient and transparent administration.

The specific objectives are to:

- Reinforce the functioning of democratic institutions and electoral processes, at federal, provincial and local levels, including fighting corruption, to improve legislation and oversight of the executive;
- Support federalisation and decentralisation of public administration to provinces and districts through enhancing public finance management and strengthening of accountability in delivery of public services.
- Improve security for citizens and the rule of law, including protection of civil and human rights, rights at work, by strengthening the functioning, collaboration between and accountability of civilian law enforcement, legal and judicial systems.

### 3.3.2. Expected results

- i) Consolidation of the role and authority of parliamentary and other representative bodies through credible elections and regular public consultations for better informed decision making and more effective public oversight and legislation.
- ii) Strengthened capacity of civil society, social partners and social dialogue, media and other independent organisations (e.g. human rights oversight machinery such as National Commission on the Status of Women, National Human Rights Commission) to effectively scrutinize the performance of democratically elected institutions, law enforcement agencies, legal and judicial institutions in order to improve institutional accountability, transparency and protection of human rights.
- iii) An effective and transparent decentralised public administration assuring a better balance between demand for public investments and mobilisation of fiscal resources
- iv) Improved performance and coordination of, and public confidence in, law enforcement agencies, legal and judicial institutions to deliver security and justice, as well as enhanced access to fair and effective judicial processes.
- v) Steady progress in adherence to core international human rights instruments, core labour standards and improved compliance with these instruments, and follow-up of treaty body recommendations, through strengthened federal-provincial cooperation, improved Government vision and capacity to implement relevant policies and programmes.

Implementation will essentially consist of supporting capacity development in a results-oriented way e.g. through technical cooperation, exchange of best practice both internationally and nationally, promoting innovative approaches, awareness raising, training and advocacy allocated through calls for proposals.

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

### **3.3.3. Donor coordination and policy dialogue**

Increasing the institutional accountability and transparency in the conduct of public affairs is a common priority among the international donors in Pakistan.

Focussed donor coordination is undertaken in the area of electoral process and reform, in which the EU plays an important role against the background of three successive EU Election Observation Missions (2002, 2008 and 2013) and the work to follow up on their recommendations. Regarding the support to the elected institutions more efforts will be required both from the Government and donor side.

In PFM, donors meet on a regular bi-monthly basis in a working group chaired by the World Bank. In addition, donors exchange information on bilateral basis. There is no concerted coordination led by the Government as yet. In spite of efforts to modernize PFM and the important analytical work carried out by different organizations, neither the Federal Government nor the Provincial Governments have come out with a comprehensive and over-arching PFM reform strategy to lead the reform efforts in a coordinated and sequenced way. Khyber Pakhtunkhwa adopted the *Integrated Public Finance Management Strategy*, the first such document in Pakistan.

On rule of law, a policy dialogue led by the Government of Khyber Pakhtunkhwa and supported by the EU is being initiated in the context of the Government *Strategic Development Partnership Framework*. Punjab Government has also taken initiatives to coordinate donor and institute dialogue on specific areas of cooperation, such as prosecution. At federal level, the Government has indicated the intention to coordinate donors on security cooperation. However, at federal level and in the remaining provinces, coordination between the provincial Governments and donors is based on bilateral relations and policy dialogue.

The Federal Ministry of Law, Justice and Human Rights is taking the lead on coordinating stakeholders active in supporting human the rights strategy and policy at Federal level, as well as through provincial human rights departments. An Inter-Provincial Ministerial Group coordinates donors and Government Departments on the Committee on the Elimination of Discrimination against Women (CEDAW) related implementation and reporting.

### **3.3.4. The Government's financial and policy commitments**

The successful transition in the federal and provincial Governments following the completion of a full five year term by the previous Governments and well conducted elections, has clearly demonstrated Pakistan's commitment to democracy. This is also reflected in the pressure exercised by the Supreme Court to conduct local elections not later than the first semester of 2014. The implementation of the 18<sup>th</sup> Amendment to the Constitution puts Pakistan firmly on the way of further federalisation with an unprecedented level of devolution in legislative and executive power.

Reforms in public administration, fiscal and macro-economic management, privatisation of public enterprises, policy driven budgeting, better audit systems as also promotion of more public accountability, has been re-emphasized in successive Government policy documents. It is part of the commitments made to the IMF and subject to close scrutiny for disbursements of funds by the WB, ADB, United Kingdom and EU.

In the absence of a dedicated federal lead on the matter, a clearer strategy to ensure gender mainstreaming and coordination needs to be developed. A more structured consultation with civil society and clarity on its role in democratic processes, as well as a more democratic oversight of all Government functions, is required. The current legal framework on freedom of information needs to be enhanced.



### **3.3.5. Appropriate type of environmental assessment**

When preparing Annual Action Plans, all programmes and projects that might have an environmental impact will undergo a specific environmental assessment to analyse such impact and propose mitigating measures. In these cases, a SEA or an EIA will be carried out.

### **3.3.6. Overall risk assessment of the sector intervention**

Pakistan legislators suffer from important institutional capacity constraints and sometimes lack the understanding of the role they are entitled to play on all fronts: legislative, budgetary and oversight. The last few years have been witness to the development and outreach of a vibrant, diverse and dynamic media in Pakistan. The work of journalists is however hampered by extremist, political and criminal threats. While civil society has been very active and instrumental in the recent adoption of human rights legislation, it faces constraints when working on sensitive human rights and accountability issues. Human rights defenders are under threat and find difficulties in their activism.

Although reforms in PFM in Pakistan are ongoing under the current IMF-programme, a strong need for strengthening and accelerating of these reforms remains, in particular in certain provinces. Countrywide, tax collection rates are low in Pakistan in comparison with its' peers, hence Domestic Revenue Mobilisation is crucial. Public finances need further improvements through cuts in wasteful and low-priority expenditure and a strengthened fiscal decentralisation framework. While the political, security and macroeconomic situation in the country is fragile and surrounded with uncertainty, the risk of non-intervention seems significant. Functioning and reliable PFM systems are a prerequisite for successful development. At the political level, risks relate to commitment and ownership and are associated with the level of involvement of political representatives in the implementation of the programme.

Conditions relating to law enforcement, police, prisons and control of the military over security aspects, undermine human rights and security of citizens

Key risks for Pakistan have been identified in the current country Risk Management Framework that is updated regularly. Mitigating measures may include but will not be limited to:

- i. Institutional risks: continued strategic and policy dialogue with Government and donors' counterparts, regular contacts between Delegation and Government, capacity building, enhanced coordination.
- ii. Macroeconomic risks: support to PFM reforms in particular to increase Domestic Revenue Mobilisation and budget transparency, enhanced oversight through audits, missions and third party validations, analysis of IMF/WB, ADB programs, use of eligibility criteria in budget support programs. The PFM risks at the federal level and at the provincial level will be mitigated through considerable capacity development and technical cooperation as part of the on-going United Kingdom funded sub-national governance programme for Khyber Pakhtunkhwa.
- iii. Security risks: continuous follow-up of the security situation and engagement with all stakeholders to allow the most suitable implementation of programmes.

## **4. Support Measures**

An indicative amount of EUR 6.0 million will be set aside for measures aimed at supporting the preparation and implementation of actions under the MIP including through feasibility studies, consultation and planning workshops, outreach, audits, evaluations and other activities as necessary to ensure a high quality design and implementation of actions.

## Attachments

1. Pakistan at a Glance
2. Donor Matrix
3. Sector Intervention Framework and Performance Indicators
4. Indicative Timetable for Commitment of Funds

### **Attachment 1: Pakistan at a Glance**

**Table 1: Development Indicators**

	2002	2007	2012
Population (million persons)	149.7	163.9	179.2
Population growth (annual %)	1.9	1.9	1.7
GNI per capita, Atlas method (current USD)	500	850	1260
Income share held by lowest 20%	9.4	* 9.6	
Life expectancy at birth, total (years)	64.4	65.6	^ 67
Fertility rate, total (births per woman)	4.1	3.6	^ 3.3
Births attended by skilled health staff (% of total)	23.0	38.8	* 43
Mortality rate, under five (per 1,000 live births)	107.1	96.3	85.9
Immunization, measles (% of children ages 12-23 months)	63	80	* 80
Military expenditure (% of GDP)	4.2	3.6	3.0
Net migration (millions)	-1.8	-1.8	-1.6

Sources:

\*2008 or 2011 data from <http://mdgs.un.org/unsd/mdg/Data.aspx>

^2011 Data from WHO - Pakistan health profile

Other data: <http://databank.worldbank.org/data/views/reports/tableview.aspx>

**Table 2: Key Macroeconomic Indicators**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
GDP (in USD billions)	171.6	213.7	225.6	238.7		
Real GDP (% change, p.a.)	2.6	3.7	4.4	3.6	2.8	3.6
Real GDP per capita (% change, p.a.)	0.5	1.5	2.3	1.5	0.5	
Consumer price index (average %)	10.1	13.7	11.0	7.4	7.9	9.0
Gross international reserves (USD bn)	13.0	14.8	10.8	6.0	9.4	12.3
Public balance (incl. grants, % GDP)	-5.9	-6.9	-8.4	-7.8	-5.5	-4.4
Public sector gross debt (% GDP)	56.8	55.3	60.4	61.2	64.3	61.9

Sources: Pakistani authorities; and IMF staff estimates and projections January 2014

Next two pages: 2012 Pakistan MDG status done by UNDP (available from their website).



**6<sup>th</sup> Largest Population in the World** **184** MILLION

GDP per capita **USD\$ 1368**

Inflation: **7.8%** Pakistan

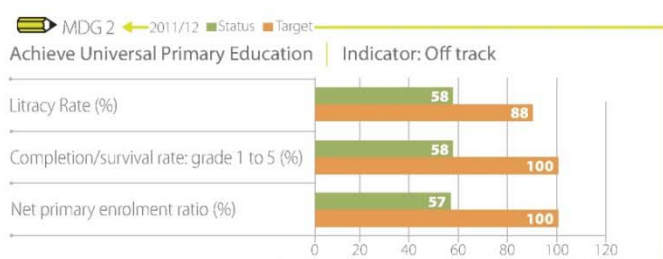
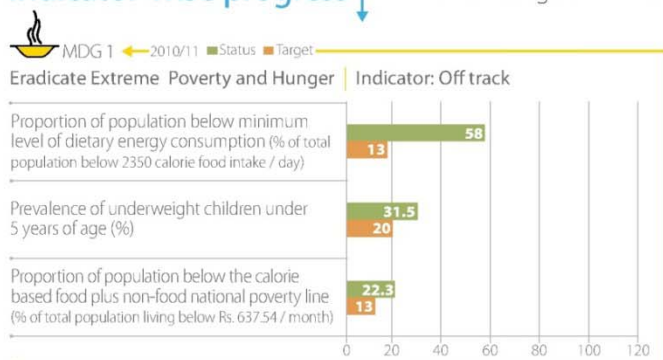


# Pakistan MDG Status 2012

Pakistan has adopted 16 targets and 41 indicators against which progress towards achieving the Eight Goals of the MDGs is measured.

Time series data available for 33 of these indicators reveal that Pakistan is on track to achieve the targets on 9 indicators, whereas its progress on 24 indicators is off track.

## Indicator-wise progress



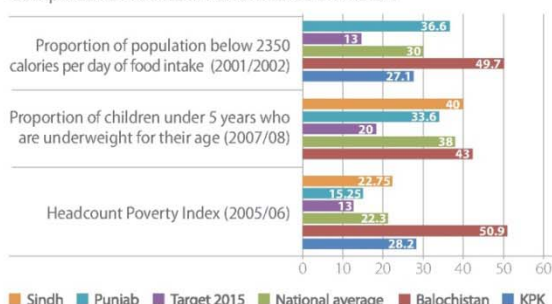
## Status of MDGs in Pakistan Status

- 1 Eradicate Extreme Poverty and Hunger ..... Off Track
- 2 Achieve Universal Primary Education ..... Off Track
- 3 Promote Gender Equality and Empower Women ..... Off Track
- 4 Reduce Child Mortality ..... Off Track
- 5 Improve Maternal Health ..... Off Track
- 6 Combat HIV/AIDS, Malaria and other diseases .... On Track
- 7 Ensure Environmental Sustainability ..... On Track
- 8 Develop a global partnership for development

**Pakistan spent 2% of its GDP on education and 0.9% of its GDP on health in 2012-13**, ranking the lowest in South Asia for its budget allocation to health and education.

At the current rate of progress Pakistan is unlikely to achieve most of the MDGs in their entirety by 2015. Wide discrepancies exist between provinces: Punjab performed above the national average in 14 of the 24 MDG indicators, Khyber Pakhtunkhwa in 10 of the 24 MDG indicators, Sindh in 4 of the 22 MDG indicators and Balochistan in 1 of the 21 MDG indicators for which data is available.

### Comparative Provincial Performance on MDG 1





Indicator-wise progress continued



# Pakistan

## MDG Status 2012

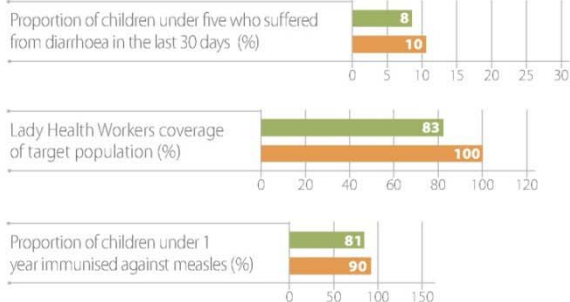


Pakistan

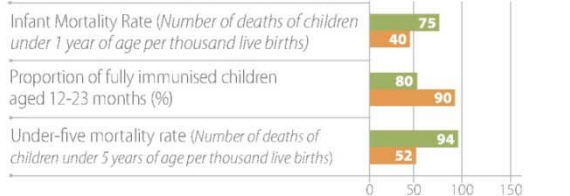


MDG 4 ← 2011/12 Status Target

### Reduce Child Mortality | Indicator: On track

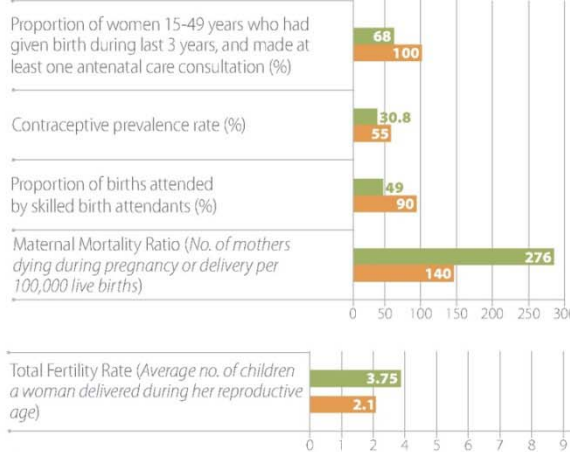


### Indicator: Off track



MDG 5 ← 2011/12 Status Target

### Improve Maternal Health | Indicator: Off track



### CONTRIBUTING FACTORS: INTERNAL

- 1 Infrastructure Deficits
- 2 Rising Unskilled Labour
- 3 Governance issues
- 4 Unequal Public sector expenditure

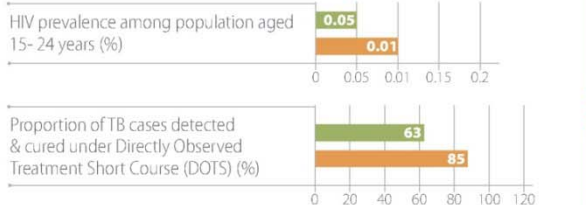
### CONTRIBUTING FACTORS: EXTERNAL

- 1 Natural and Manmade Disasters
- 2 Global Recession
- 3 Food Price Hike

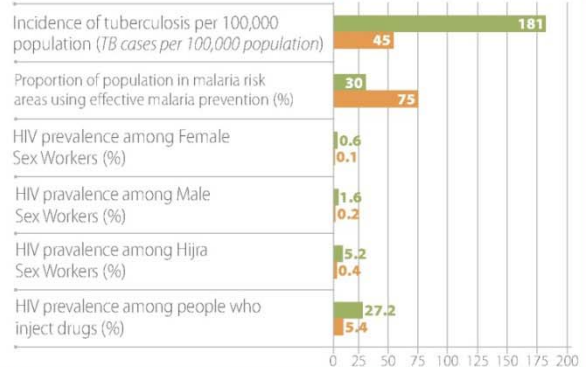


MDG 6 ← 2010/11 Status Target

### Combat HIV/AIDS, Malaria & other Diseases | Indicator: On track

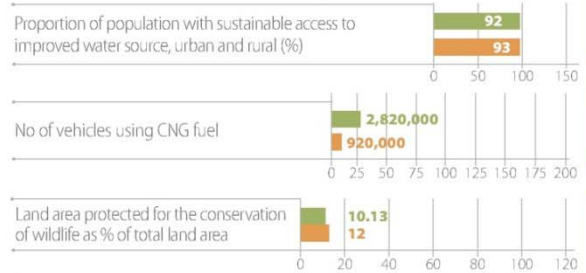


### Indicator: Off track

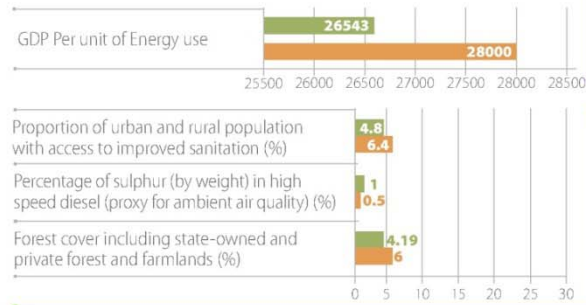


MDG 7 ← 2011/12 Status Target

### Ensure Environmental Sustainability | Indicator: On track



### Indicator: Off track



## Attachment 2: Donor Matrix

Table 3: OECD Donor Matrix

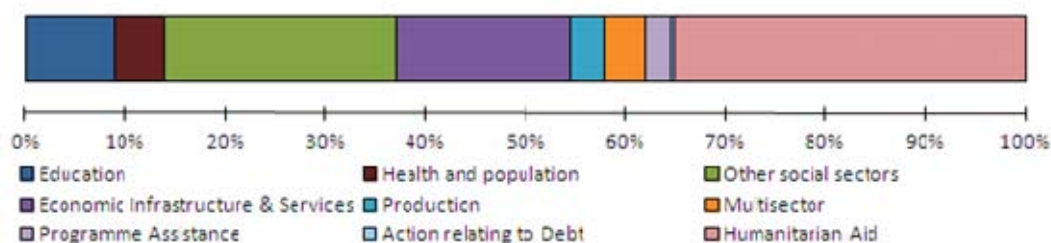
### Pakistan

Receipts	2009	2010	2011
Net ODA (USD million)	2 769	3 013	3 509
Bilateral share (gross ODA)	46%	71%	69%
Net ODA / GNI	1.7%	1.6%	1.6%
Net Private flows (USD million)	156	134	473

For reference	2009	2010	2011
Population (million)	170.5	175.6	176.7
GNI per capita (Atlas USD)	990	1 050	1 120

Top Ten Donors of gross ODA (2010-11 average)		(USD m)
1	United States	1 237
2	IDA	625
3	Japan	410
4	United Kingdom	316
5	AsDB Special Funds	223
6	EU Institutions	214
7	Turkey	170
8	Germany	157
9	Canada	95
10	Australia	94

Bilateral ODA by Sector (2010-11)



Sources: OECD - DAC, World Bank; [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats)

**Table 4: EU division of labour 2013**

<i>Sector</i>	DE	DK	FR	IT	NL	UK	EU	DPs per sector
Education	X		X		X	X	X	5
Health	X							1
Agriculture and Rural Development				X			X	2
Energy	X		X				X	3
Natural Resources Management			X		X			2
Trade and Private Sector Development					X		X	2
Good Governance (Democracy, Human Rights, Rule of Law)	X	X			X	X	X	5
Other	X	X	X	X	X	X		6
Sectors per DP	5	2	4	2	5	3	5	

*Source: EU Delegation 2013.*

### **Attachment 3: Sector Intervention Framework**

#### **Sector 1: Rural Development**

##### **Specific objective 1: Reinforce the performance of local Government structures**

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline*</i>
<b>a)</b> More effective organisational and administrative capacity including appropriate fiscal instruments for district and local Government bodies, to improve delivery of basic services and respond better to community driven demands for public investments	<b>a1)</b> Fiscal space available to local authorities	Provincial budget papers	Khyber Pakhtunkhwa : PKR 4.7 billion (2013/14)
	<b>a2)</b> Extent of civil society participation in planning and decision making processes	CSO maturity index from RSPN	Will be provided at the action stage
<b>b)</b> Increased investments in rural infrastructure, renewable energy, efficient irrigation and water conservation techniques, and disaster risk reduction	<b>b1)</b> Percentage of population with access to water	Pakistan MDGs Report	89% (2013)
	<b>b2)</b> Percentage of population with access to sanitation	Pakistan MDGs Report	72% (2013)
	<b>b3)</b> Number of households provided with access to sustainable energy with EU support	Reports from projects	0 (2013)

##### **Specific objective 2: Increase income generating activities**

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline*</i>
<b>a)</b> Creating opportunities in rural areas to improve livelihoods and to obtain more and better jobs	<b>a1)</b> Number of people lifted out of poverty through increased incomes from work in areas provided with EU support	Reports from projects	0 (2013)

##### **Specific objective 3: Augment the nutritional status of women and children in rural areas**

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline*</i>
<b>a)</b> Reduction of under-nutrition and micronutrient-deficiencies under Pakistan conditions, at district and provincial scale	<b>a1)</b> Percentage of under five year old children stunted in rural areas targeted by the programme	National Nutrition Survey	46.3% (2011)
		National Nutrition Survey	U5: 61.4% (2011) PW: 50.5% (2011)



	<b>a2)</b> Percentage of under five year old children and pregnant and lactating women facing micronutrient deficiencies		
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## Sector 2: Education

### Specific objective 1: Increase equitable access and completion of basic and secondary education

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline*</i>
<b>a)</b> Enrolment to education for all children in the age 5 – 14 years	<b>a1)</b> Net primary enrolment rate	Pakistan Economic Survey	57% (2012/13)
	<b>a2)</b> Gender parity index for primary education	Pakistan Economic Survey	0.90 (2012/13)
	<b>a3)</b> Gender parity index for secondary education	Pakistan Economic Survey	0.78 (2012/13)

### Specific objective 2: Improve quality of education

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline*</i>
<b>a)</b> Uniform levels of good quality education as provided both by state and non-state institutions, ensured	<b>a1)</b> Ratio of public spending on education to nominal GDP	Pakistan Economic Survey	2.7% (2012/13)
	<b>a2)</b> Percentage of children in class 5 can read a story fluently in Urdu/Sindhi/Pashto	Annual ASER report	50% (2013)

### Specific objective 3: Improve productive capacity and employability of workers

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline*</i>
<b>a)</b> Increased demand for, and supply of skilled labour	<b>a1)</b> Number of people with a job placement following a TVET course	PTEVTA	55%
	<b>a2)</b> Number of CBT Curricula available across the country	NAVTTTC Statistics	180 (out of 15 are CBT curricula)

	<b>a3)</b> Degree of private sector involvement in governance and operation of TVET institutions	All TEVTAs and PVTC	30%
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### Sector 3: Good Governance, Human Rights and Rule of Law

#### Specific objective 1: Reinforce the functioning of democratic institutions and electoral processes

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline*</i>
<b>a)</b> Consolidation of the role and authority of parliamentary and other representative bodies through credible elections and regular public consultations for better informed decision making and more effective public oversight and legislation.	<b>a1)</b> Level of political participation and stability of democratic institutions as measured by the Bertelmans Status Index	Bertelmans Status Index, <a href="http://www.bti-project.org/index/">http://www.bti-project.org/index/</a>	85 (2014)
	<b>a2)</b> Level of compliance with recommendations of the EU Election Observation Mission 2013	Follow up reporting EOM 2013, EEMs	Will be provided at the action stage
	<b>a3)</b> Performance of parliamentary institutions	Reports from EU parliamentary support programmes, FAFEN and PILDAT on monitoring of performance federal and provincial democratic institutions	
	<b>a4)</b> Government effectiveness	<a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a>	23 (2012)
<b>b)</b> Strengthened capacity of civil society, media and other independent organisations (e.g. human rights oversight machinery such as National Commission on the Status of Women, National Human Rights Commission) to effectively scrutinize the performance of democratically elected institutions, law enforcement agencies, legal and judicial institutions in order to improve institutional accountability, transparency and protection of human rights	<b>b1)</b> Voice & accountability indicator	<a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a> (for both indicators)	24 (2012)
	<b>b2)</b> Control of corruption indicator		14 (2012)
	<b>b3)</b> Gender Inequality Index	<a href="http://hdr.undp.org/en/statistics/gii">http://hdr.undp.org/en/statistics/gii</a>	0.57 (2012)

**Specific objective 2: Support federalisation and decentralisation of public administration**

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline</i>
a) An effective and transparent decentralised public administration assuring a better balance between demand for public investments and mobilisation of fiscal resources	a1) Political stability and absence of violence indicator	<a href="http://info.worldbank.org/governance/wgi/index.asp">http://info.worldbank.org/governance/wgi/index.asp</a>	1 (2012)
	a2) PEFA indicators at the provincial level	<a href="http://www.pefa.org/">http://www.pefa.org/</a>	Latest, year depends on province

**Specific objective 3: Improve security for citizens and the rule of law**

<i>Expected Results</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Baseline</i>
a) Improved performance of and public confidence in law enforcement agencies, legal and judicial institutions to deliver security and justice, as well as enhanced access to fair and effective judicial processes	a1) Rule of law indicator	<a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a>	19 (2012)
b) Steady progress in adherence to core international human rights instruments, improved compliance with these instruments, and follow-up of treaty body recommendations, through strengthened federal-provincial cooperation, improved Government vision and capacity to implement relevant policies and programmes	a1) International cooperation indicator in the Bertelmans Transformation Management index  a2) Level of adherence to and compliance with Human Rights Conventions	<a href="http://www.bti-project.org/index/">http://www.bti-project.org/index/</a>  UN reports, EU Human Rights country reports	117 (2014)

*The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period.*

**Attachment 4: Indicative Timetable for Commitments (in million, EUR)**

	<b>Indicative allocation</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
SECTOR – Rural Development	340	80	45	50	80		85	
SECTOR – Education	210	25		75	75	35		
SECTOR – Good Governance, Human Rights and Rule of Law	97		10	30		30		27
Support measures during identification and formulation phases, for macroeconomic and political risk assessments, for PFM assessments, for policy dialogue, other studies and unforeseen needs	6	1	1	1	1	1	1	
<b>Total Commitments</b>	<b>653</b>	<b>106</b>	<b>56</b>	<b>156</b>	<b>156</b>	<b>66</b>	<b>86</b>	<b>27</b>