



Investir dans les populations rurales

## Conseil d'administration

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# République islamique du Pakistan Programme d'options stratégiques pour le pays 2023-2027

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### **POUR: EXAMEN**

**Mesures à prendre:** Le Conseil d'administration est invité à examiner le programme d'options stratégiques pour la République islamique du Pakistan (2023-2027).

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## Résumé

1. Le programme d'options stratégiques pour le pays (COSOP) couvre la période 2023-2027 et fait fond sur le partenariat solide noué avec le Gouvernement de la République islamique du Pakistan, sur l'avantage comparatif du FIDA et sur les enseignements tirés de l'expérience. Il énonce la stratégie adoptée par le Fonds pour aider le Gouvernement à transformer l'agriculture paysanne et à éliminer la pauvreté rurale, en cherchant de façon systématique à améliorer la résilience face au climat, l'adaptation aux changements climatiques, l'atténuation de leurs effets et l'action climatique.
2. Le Pakistan est le cinquième pays le plus peuplé de la région, avec une population estimée à 229,5 millions de personnes en 2022, dont 63% vivent en milieu rural. Le secteur agricole est essentiel à la croissance économique, en particulier à la sécurité alimentaire, à la création d'emploi et à la lutte contre la pauvreté. Il emploie 39% de la population active<sup>1</sup> et 65% des ruraux en dépendent directement ou indirectement pour vivre. Sur le plan démographique, le Pakistan est également un pays jeune, puisque 64% de sa population a moins de 30 ans.
3. La pauvreté persiste dans le pays: 38,3% de la population est considérée comme pauvre et 21,5% est touchée par une pauvreté multidimensionnelle grave<sup>2</sup>; la pauvreté multidimensionnelle rurale s'établit à 49,8%. Les principaux obstacles à la lutte contre la pauvreté sont la performance inégale du secteur agricole, les difficultés rencontrées par les jeunes (manque d'offres d'emploi, de sources de revenus et de préparation au marché), l'insécurité alimentaire et la malnutrition, les changements climatiques et les vulnérabilités environnementales.
4. La théorie du changement du présent COSOP repose sur l'idée que des interventions intégrées et complémentaires seront menées dans le domaine de la gestion des ressources naturelles en tenant compte des enjeux climatiques et que les activités économiques non agricoles se développeront. L'hypothèse est que l'économie rurale se diversifiera grâce à deux axes qui se renforcent mutuellement:
  - **Premier axe:** Diversifier l'agriculture paysanne en suivant une stratégie axée sur la demande et le marché, selon laquelle les agriculteurs sont regroupés dans des organisations professionnelles à des fins d'économies d'échelle et de durabilité;
  - **Deuxième axe:** Permettre aux ruraux pauvres de sortir de la pauvreté en acquérant des compétences utiles, des moyens de production et des capitaux de démarrage pour tirer parti des possibilités d'emploi et des services aux entreprises offerts par le développement du secteur agroalimentaire.
5. Le but global du COSOP est de contribuer à la réduction de la pauvreté rurale, de façon inclusive et accélérée, et à l'amélioration de la sécurité alimentaire en tenant compte des questions de genre, des jeunes, de la nutrition et des changements climatiques. Le COSOP est conforme et contribue aux politiques et aux stratégies nationales de réduction de la pauvreté et de développement agricole et repose sur les objectifs de développement durable (ODD) n<sup>os</sup> 1, 2, 5, 8, 9, 10, 13 et 14. Il s'inscrit également dans le droit fil du Plan-cadre de coopération des Nations Unies pour le développement durable du Pakistan pour la période 2023-2027.

<sup>1</sup>Sondage économique au Pakistan, 2020-2021, Ministère pakistanais des finances.

<sup>2</sup>Tracer la voie hors de la pauvreté multidimensionnelle : réaliser les Objectifs de développement durable. Programme des Nations Unies pour le développement et Oxford Poverty and Human Development Initiative, 2020.

6. Son but s'appuie sur la réalisation de deux objectifs stratégiques.
  - **Objectif stratégique n° 1:** Accroître la productivité et la rentabilité des petites exploitations par une diversification favorable à la résilience climatique et par une démarche centrée sur les entreprises agricoles;
  - **Objectif stratégique n° 2:** Encourager l'inclusion des ménages extrêmement pauvres qui n'ont pas de terres en cherchant à les faire sortir de cette catégorie économique.
7. L'assistance prêté par le FIDA ciblera les petits agriculteurs et les ruraux qui vivent dans l'extrême pauvreté, la pauvreté chronique ou la pauvreté transitoire. Les thématiques transversales (femmes, jeunes, nutrition, changements climatiques, personnes handicapées et peuples autochtones) seront traitées dans le cadre de la contribution à l'élaboration des politiques et de mesures spéciales intégrées à tous les projets. Quelque 1,5 million de ménages ruraux pauvres seront ciblés pendant la période couverte par le présent COSOP.
8. Une attention particulière sera accordée à la création de partenariats et d'effets de synergie avec des acteurs bilatéraux et multilatéraux du développement et avec le secteur privé (en particulier pour le développement des entreprises agricoles), en vue d'encourager les investissements en faveur des populations rurales.
9. Le COSOP couvrira deux cycles du Système d'allocation fondé sur la performance (SAFP), à savoir les Douzième et Treizième reconstitutions des ressources du FIDA (FIDA12 et FIDA13). S'agissant de FIDA12, l'allocation au titre du SAFP s'établit à 104,1 millions d'USD accordés à des conditions mixtes et un montant indicatif de 7 millions d'USD sera octroyé au titre du Mécanisme d'accès aux ressources empruntées (MARE) à des conditions ordinaires. Pourraient venir s'y ajouter quelque 120 millions d'USD pour la période 2025–2027, si la performance du programme était satisfaisante.

# République islamique du Pakistan

## Programme d'options stratégiques pour le pays

### I. Contexte du pays et programme relatif au secteur rural – principales difficultés et perspectives

1. Le Pakistan est le cinquième pays le plus peuplé de la région, avec une population estimée à 229,5 millions de personnes en 2022 qui devrait atteindre 280 millions d'ici 2030. Son PIB de 347 milliards d'USD en a fait la quarante-quatrième économie mondiale en 2021. Pour ce qui est de la superficie, le pays se classe à la trente-sixième place (796 096 mètres carrés).
2. Le Pakistan est une république parlementaire fédérale qui se compose de quatre provinces et de quatre territoires fédérés. Depuis 2008, la décentralisation au niveau provincial est pleinement mise en œuvre et tous les principaux secteurs liés au mandat du FIDA relèvent maintenant de la responsabilité des provinces.
3. Le Pakistan est un pays à revenu intermédiaire de la tranche inférieure dont le revenu moyen par habitant s'élève à 1 641 USD. L'économie repose en premier lieu sur le secteur des services (59%), suivi de l'agriculture (21%) et de l'industrie (20%).
4. Ces dernières années, la situation macroéconomique du pays s'est détériorée en raison d'un déficit budgétaire et d'un déficit de la balance courante élevés, du faible niveau des réserves et des retombées de la pandémie de COVID-19 et du conflit en Ukraine. Les nombreuses pertes humaines et matérielles causées récemment par les fortes inondations ainsi que la hausse notable des factures d'importation mettront à plus rude épreuve encore l'économie pakistanaise. Après un recul d'environ 0,5% pendant la pandémie en 2020, l'économie s'est redressée en 2021 et a affiché une croissance de 5,4%. Le PIB devrait croître de 4% en 2022 et de 4,5% en 2023. L'inflation est restée supérieure à 10% depuis 2019 et devrait rester élevée en 2022. Les envois de fonds des Pakistanais résidant à l'étranger représentent quelque 9% du PIB. En 2022, la dette publique du pays atteignait 80,2% du PIB.
5. Les perspectives économiques à moyen terme restent très incertaines du fait de la pandémie, du conflit en Ukraine et des dégâts considérables causés par les récentes inondations. Le Pakistan est toujours vulnérable en cas de reprise de la pandémie, de détérioration des conditions financières internationales, d'une montée des tensions géopolitiques et de retard dans la mise en œuvre de réformes structurelles. Le conflit en Ukraine contribuera également à ralentir le développement du Pakistan et aura pour effet de favoriser l'insécurité alimentaire et d'aggraver la pauvreté de la population rurale.
6. **Agriculture et développement rural.** Le secteur agricole représente certes une part de moins en moins importante du PIB, mais il reste essentiel à la croissance économique globale. Il emploie 39% de la population active<sup>3</sup> et 65% des ruraux en dépendent directement ou indirectement pour vivre. Ces 20 dernières années, ses performances ont souffert du manque d'investissements publics, de diversification et de liens avec les marchés, de l'accès limité des petits exploitants aux marchés, des changements climatiques et de la rareté de l'eau. Cela a eu pour conséquences des rendements faibles, une stagnation de la productivité et des salaires, un certain degré d'insécurité alimentaire, un manque d'emplois non agricoles et la lenteur de la transformation rurale.

<sup>3</sup>Sondage économique au Pakistan, 2020-2021, Ministère pakistanais des finances.

7. Au Pakistan, l'agriculture est majoritairement paysanne: le pays compte environ 8 millions de petites exploitations et 90% des exploitations font moins de 5 hectares. Les petits agriculteurs souffrent en grande partie d'un manque d'accès aux marchés et à l'information et ne peuvent donc s'adapter à l'évolution des conditions de marché. Ainsi, ils dépendent excessivement des sous-traitants et des intermédiaires locaux pour vendre leurs produits. En outre, ils ne peuvent participer activement à la création de valeur ajoutée et à d'autres débouchés créateurs de revenus associés au développement des filières et des entreprises agricoles. Des obstacles tels que le manque d'intégration aux filières et de liens au sein de celles-ci, l'absence de politiques et de réglementations favorables et l'insuffisance des infrastructures doivent être surmontés au moyen d'une stratégie intégrée qui regroupe des institutions (en particulier les organisations d'agriculteurs et de producteurs), des infrastructures (transports et marchés) et des mesures d'incitation.
8. **Pauvreté rurale, questions de genre et jeunes.** La pauvreté demeure un problème persistant. L'indice de la pauvreté multidimensionnelle s'établit à 0,198, sachant que 38,3% de la population est considérée comme pauvre, 21,5% vit dans une pauvreté multidimensionnelle grave et 49,8% est touchée par la pauvreté multidimensionnelle rurale<sup>4</sup>. Les personnes vivant dans la pauvreté extrême et chronique souffrent de pauvreté intergénérationnelle et d'un manque d'accès à la terre, aux moyens de production, au crédit, aux services de vulgarisation, aux marchés, à la formation et à l'information.
9. Dans les zones rurales du Pakistan, les femmes et les jeunes sont particulièrement désavantagés pour ce qui est d'accéder aux services sociaux de base et aux moyens d'existence, malgré leur contribution à un secteur agricole à fort coefficient de main-d'œuvre. Quelque 9,1 millions de travailleuses agricoles jouent un rôle de premier plan dans la production vivrière et la sécurité alimentaire, mais sont rarement rémunérées, souffrent davantage de la pauvreté en temps et sont plus susceptibles d'être exploitées.
10. Les jeunes Pakistanais (âgés de 15 à 29 ans) représentent 64% de la population, et plus de 50% des jeunes ruraux (femmes et hommes) prennent part à l'agriculture et à l'élevage, généralement en tant que travailleurs familiaux non rémunérés. Malgré leurs contributions, les femmes et les jeunes restent désavantagés et n'ont que peu de contrôle sur les décisions agricoles, de connaissances sur les nouvelles technologies, de compétences en matière de valeur ajoutée et de commercialisation et d'accès aux ressources productives, aux services de vulgarisation et aux services financiers.
11. **Vulnérabilité aux changements climatiques.** Le Pakistan fait partie des 10 pays les plus vulnérables aux aléas climatiques et l'agriculture est profondément touchée par la variabilité du climat à court terme et les changements climatiques à plus long terme. Les périodes de sécheresse grave suivies d'inondations dévastatrices sont fréquentes et sont en partie responsables des faibles rendements agricoles, des pertes d'animaux d'élevage, des dégâts subis par les infrastructures d'irrigation et des pénuries alimentaires observés ces dernières années. La sécurité de l'eau à des fins agricoles et domestiques devient un véritable enjeu et il sera indispensable de bien gérer les ressources en eau (y compris les infrastructures y relatives).
12. De juillet à septembre 2022, la fonte des glaciers et une mousson extrême faite de pluies torrentielles ont entraîné des inondations catastrophiques. Un tiers du pays a été inondé, plus de 1 500 personnes sont mortes et plus de 33 millions d'autres touchées, dont 6,6 millions gravement. D'après les premières estimations, les inondations ont infligé des dégâts d'une valeur de 10 milliards d'USD aux récoltes

<sup>4</sup> Tracer la voie hors de la pauvreté multidimensionnelle : réaliser les Objectifs de développement durable. Programme des Nations Unies pour le développement et Oxford Poverty and Human Development Initiative, 2020.

sur pied, aux animaux d'élevage, aux habitations, aux infrastructures éducatives, sanitaires, routières et aux infrastructures d'irrigation. Ces conditions météorologiques instables et dangereuses ont été aggravées par les changements climatiques, car les vagues de chaleur intenses font fondre les glaciers plus vite.

13. **Nutrition.** Il est très difficile pour les ruraux pauvres d'avoir une bonne nutrition et un accès toute l'année à une nourriture adéquate. La pauvreté, les catastrophes récurrentes et l'instabilité politique et économique favorisent la dénutrition et l'insécurité alimentaire dans certaines régions du Pakistan.
14. **Technologies de l'information et des communications au service du développement.** Le pays a une télédensité de 87% et un taux de pénétration d'Internet de 54%, ce qui offre la possibilité de mettre les technologies de l'information et des communications au service du développement et de les utiliser aux fins du transfert de technologie, des services, de l'accès aux marchés et des liens avec les services financiers.

## II. Contexte institutionnel et cadre de l'action publique

15. **Les politiques et stratégies du Pakistan en matière d'agriculture et de réduction de la pauvreté** ont pour objectif de réduire de moitié le taux de pauvreté et de faire passer le pays dans la catégorie des pays à revenu intermédiaire de la tranche supérieure. Elles représentent et définissent l'engagement des pouvoirs publics en faveur des objectifs de développement durable (ODD) relatifs à la réduction de la pauvreté, à l'éducation, à l'égalité des genres, à la santé des femmes, à la santé maternelle et infantile et à la durabilité environnementale.
16. La stratégie nationale pour la réduction de la pauvreté vise l'affranchissement de la pauvreté et a récemment été mise à jour pour élaborer une riposte aux situations de crise telle que la pandémie au moyen de services d'assistance sociale, et pour protéger et renforcer le capital humain. L'objectif de la politique nationale relative à la sécurité alimentaire est de réduire les taux de pauvreté, de malnutrition et d'insécurité alimentaire en atteignant une croissance moyenne du secteur agricole de 4%. En particulier, au moyen de cette politique, les autorités nationales cherchent à privilégier la diversification des cultures et le développement des entreprises agricoles plutôt que de se concentrer sur des cultures revêtant une importance stratégique.
17. D'autres politiques et stratégies importantes sont notamment: le cadre d'action national sur les questions de genre (2022); le cadre national en faveur de l'épanouissement des jeunes (2020); la politique nationale relative aux changements climatiques; le cadre national sur la réalisation des objectifs de développement durable. Le Plan-cadre de coopération des Nations Unies pour le développement durable du Pakistan (2023-2027) et les trajectoires nationales pour la transformation des systèmes alimentaires (2021) énoncent également les priorités du pays et sont alignés sur l'appui collaboratif prêté par le FIDA et le système des Nations Unies.
18. **Le cadre institutionnel du Pakistan** est régi par la structure fédérale du pays. Depuis 2008, la décentralisation au niveau provincial est pleinement mise en œuvre et l'agriculture et le développement rural relèvent maintenant de la responsabilité des provinces. Le Ministère des affaires économiques est le principal interlocuteur au niveau fédéral; les services provinciaux de planification et de mise au point, dirigés par les secrétaires en chef additionnels et les présidents des conseils de planification et de mise au point, sont les principaux interlocuteurs pour l'élaboration de programmes et sont généralement chargés de l'exécution. D'autres services techniques du Gouvernement et organismes non gouvernementaux assurent également des services.

19. La société civile pakistanaise comprend un vaste éventail d'ONG, dont des programmes d'appui aux populations rurales, des organisations locales, des centres de réflexion, des syndicats, des groupes culturels et des organisations citoyennes informelles. Le plus grand réseau de développement du Pakistan se compose de 10 programmes d'appui aux populations rurales, qui agissent aux niveaux national et provincial et couvrent tout le territoire. Ce type de programmes a ouvert la voie au développement à l'initiative des communautés (ils concernent actuellement 149 districts sur 159) et a permis d'établir plus de 500 000 organisations locales regroupant plus de 8,5 millions de ménages.
20. Depuis 2006, le secteur de la microfinance a connu une croissance exponentielle; les banques et les institutions de microfinance comptent 3 800 succursales dans 139 des 159 districts du pays. À l'heure actuelle, on enregistre 8 millions d'emprunteurs actifs, pour un montant total brut de 392,6 milliards de roupies pakistanaises (environ 2 milliards d'USD).

### III. Engagement du FIDA: bilan de l'expérience

21. Depuis 1977, le FIDA a investi 780 millions d'USD pour financer 28 projets, dont le coût total s'élève à 2,58 milliards d'USD, au profit de 2,8 millions de ménages. Le portefeuille de projets financés par le Fonds au Pakistan se compose aujourd'hui de cinq projets: l'Initiative de transformation économique – Gilgit-Baltistan (ETI-GB), le Projet de réduction de la pauvreté dans le sud du Penjab (SPPAP), le Programme national d'affranchissement de la pauvreté (NPGP), le Projet de transformation économique des zones rurales du Khyber Pakhtunkhwa (KP-RETP) et le Projet d'appui aux moyens de subsistance dans les districts de Gwadar et Lasbela (phase II) (GLLSP-II), pour un montant total de 451 millions d'USD. Ces projets couvrent plusieurs régions et sont principalement axés sur le développement des entreprises agricoles, l'affranchissement de la pauvreté, l'emploi des jeunes, les infrastructures rurales et le développement à l'initiative des communautés.
22. Une évaluation de la stratégie et du programme de pays (ESPP) des projets financés par le FIDA au Pakistan a été réalisée pour la période 2000-2020 et a permis de tirer de précieux enseignements aux fins de la formulation du programme d'options stratégiques pour le pays (COSOP). Les recommandations issues de l'ESPP portent sur les aspects suivants: i) mettre en place des systèmes de marché inclusifs, en accordant une attention particulière à la résilience face aux changements climatiques et à la gestion des ressources naturelles; ii) innover et transposer à plus grande échelle afin de mieux lutter contre la pauvreté rurale; iii) renforcer les institutions, les politiques et les systèmes et créer des liens avec eux pour favoriser la durabilité; iv) adopter une approche souple et différenciée du ciblage et de la programmation; v) nouer des partenariats avec d'autres organismes de développement et acteurs non gouvernementaux et mettre à niveau le bureau de pays du FIDA et ses systèmes d'appui.
23. Le COSOP fait également fond sur les enseignements tirés de l'expérience:
24. **Les projets de grande envergure et à échelle provinciale produisent généralement de meilleurs résultats en matière de développement.** Les co-investissements du FIDA, tels que les 120 millions d'USD au titre du projet ETI-GB ou les 185 millions d'USD au titre du projet KP-RETP, qui couvrent toute la province favorisent l'équité du développement, promeuvent l'amélioration du cadre réglementaire et des politiques et améliorent la portée, l'impact et le rapport coût-efficacité des programmes.
25. **Les organisations paysannes professionnelles**, qui travaillent selon un modèle opérationnel et des plans d'activités axés sur les marchés afin de réaliser des bénéfices commerciaux sous la houlette d'équipes de gestion professionnelles, ont montré l'importance de l'accès aux marchés et à des revenus nets supplémentaires pour les agriculteurs, comme l'a mis en lumière l'appui obtenu sous la forme d'un



don du FIDA (Programme pour les agriculteurs d'Asie et du Pacifique). En outre, le développement des filières et des entreprises agricoles avec l'appui des organisations paysannes est une méthode efficace pour améliorer l'économie rurale et pour donner davantage de moyens d'action aux femmes.

26. **Affranchissement de la pauvreté.** Si l'on veut lutter contre la pauvreté de façon durable et donner plus de moyens d'action aux pauvres, aux femmes et aux jeunes, une solution prometteuse consiste à associer l'acquisition de compétences, la création de revenus fondés sur les moyens de production et l'accès aux capitaux de démarrage en faveur des personnes touchées par l'extrême pauvreté et la pauvreté chronique, en particulier des femmes, moyennant des dons sans condition relevant de programmes de protection sociale.
27. **Mobilisation des jeunes et emploi des femmes rurales.** L'application de certaines stratégies et approches à la participation des jeunes et des femmes à l'exécution d'un projet ouvre des perspectives importantes et pérennes en matière d'emploi, y compris indépendant, dans les zones rurales. Ces stratégies et approches sont notamment: la formation professionnelle et la formation à l'entrepreneuriat axées sur la demande du marché local de l'emploi; la facilitation de la création de plans d'activités et de l'obtention de capitaux de démarrage; la négociation de partenariats public-privé; le regroupement de jeunes et de femmes dans des entités à vocation commerciale.
28. **Intégration des questions de genre.** L'adoption d'une démarche intégrée et inclusive au niveau des ménages, d'une manière acceptable sur le plan culturel, offre un point d'entrée à l'intégration des questions de genre. Un autociblage nuancé des interventions, accompagné de structures organisationnelles adéquates, crée un environnement favorable à la bonne intégration des questions de genre et à l'émancipation économique.
29. **La mobilisation sociale,** fondée sur la fiche d'évaluation de la pauvreté, est une méthode efficace de ciblage des populations pauvres, d'inclusion et d'autonomisation des femmes, d'appropriation communautaire d'activités dirigées par des femmes et des personnes pauvres, de création de liens avec les prestataires de services publics et privés et de pérennisation des avantages tirés d'investissements locaux.
30. **Nutrition.** Les investissements dans la nutrition des enfants et des femmes en milieu rural créent des avantages sur les plans de la santé et de l'économie.
31. **Agriculture climato-compatible.** Une approche axée sur les marchés en matière d'agriculture doit être complétée par des investissements dans des technologies climato-compatibles si l'on veut que la productivité des cultures et des exploitations laitières soit durable. L'adaptation aux changements climatiques doit être intégrée à l'agriculture. L'agroéconomie rurale exige que l'on utilise de nouvelles semences, méthodes et technologies pour que les petits exploitants puissent accroître leurs revenus. Dans l'ensemble, il est essentiel de suivre une approche systémique de la gestion des risques de catastrophe et de la préparation prévoyant le renforcement de la résilience et des institutions, en particulier au vu des catastrophes naturelles récurrentes (surtout les inondations) causées par les changements climatiques.

## IV. Stratégie de pays

### A. Avantage comparatif

32. En 40 ans de partenariat avec le Pakistan, le FIDA a su montrer son avantage comparatif en matière de développement rural inclusif et durable en concourant à la réalisation des objectifs nationaux de façon pérenne dans certaines des régions les plus pauvres et les plus reculées du pays. À cette fin, il a eu recours à des solutions novatrices pour ce qui est de l'approche adoptée, du ciblage, des

modalités de mise en œuvre et des partenariats, et contribué à intégrer les femmes et les jeunes à l'économie rurale.

33. Une approche axée sur le marché de l'agriculture paysanne et du développement des entreprises agricoles, ainsi qu'un ciblage fondé sur la fiche d'évaluation de la pauvreté dans le cadre d'une stratégie d'affranchissement de la pauvreté qui intègre la nutrition, les questions de genre et les changements climatiques, ont vu le jour dans des domaines où la valeur ajoutée et l'avantage comparatif du FIDA sont largement reconnus. La souplesse et les ajustements à mi-parcours sont également des aspects indispensables.

## **B. Groupe cible et stratégie de ciblage**

34. Le COSOP ciblera 1,5 million de ménages ruraux pauvres (soit près de 10 millions de personnes), dont: i) des ménages ruraux touchés par la pauvreté chronique<sup>5</sup>; ii) des petits exploitants.
35. La stratégie de ciblage sera axée sur les femmes et les jeunes (femmes et hommes) des groupes cibles et aura pour objet de cerner leurs différents besoins et les différentes possibilités qui s'offrent à eux. Elle visera également les personnes handicapées afin qu'elles aussi bénéficient des interventions. Comme il a été recommandé à l'issue de l'ESPP, l'utilisation de la fiche d'évaluation pour cibler les ménages sera complétée par l'inclusion d'autres facteurs observables en vue de formuler des critères exhaustifs de validation des résultats au niveau local et ainsi de limiter l'exclusion de ménages qui remplissent les autres conditions requises. L'état nutritionnel, la situation de sécurité alimentaire et les vulnérabilités aux changements climatiques seront pris en compte lors du ciblage, dans le respect des normes applicables des Procédures d'évaluation sociale, environnementale et climatique (PESEC).

## **C. Finalité et objectifs stratégiques**

36. **Théorie du changement** (voir le graphique à l'appendice XIII). La théorie du changement repose sur l'idée que des interventions intégrées et complémentaires seront menées dans le domaine de la gestion des ressources naturelles en tenant compte des enjeux climatiques et que des activités économiques non agricoles se développeront. Cela permettra d'accroître la diversification aux niveaux des ménages d'agriculteurs, du système agricole et de l'économie rurale, grâce à deux axes qui se renforcent mutuellement:
- i) **Le premier axe** consiste à diversifier l'agriculture paysanne avec des cultures à plus forte valeur en suivant une stratégie axée sur la demande et le marché, selon laquelle les agriculteurs sont regroupés dans des organisations professionnelles à des fins d'économies d'échelle et de durabilité. Ces organisations veillent à l'équilibre entre les produits et les volumes et nouent des partenariats public-privé-producteurs qui profitent à toutes les parties. Ce fonctionnement est facilité par l'accès au financement public et privé, aux technologies de production et à l'information sur les marchés.
  - ii) **Le deuxième axe** vise à permettre aux ruraux pauvres et sans terres des groupes susmentionnés, notamment les femmes et les jeunes, de sortir de la pauvreté en acquérant des compétences utiles, des moyens de production et des capitaux de démarrage pour tirer parti des possibilités d'emploi et des services aux entreprises offerts par les nouvelles filières créées par les coopératives et les organisations paysannes, ou pour lancer leur propre petite entreprise.

<sup>5</sup>Selon la définition utilisée par les pouvoirs publics, les groupes ciblés par le FIDA au Pakistan sont ceux qui obtiennent une note de 0 à 40 à la fiche d'évaluation de la pauvreté, en particulier ceux qui obtiennent une note de 0 à 23.

37. Les deux axes feront tous les deux fond sur des politiques et des réglementations propices, issues d'une collaboration avec les organisations publiques et privées. La nutrition, les questions de genre, les jeunes et les changements climatiques sont autant de thèmes qui seront intégrés à la création des coopératives agricoles et à leurs plans d'activités.
38. Les principales interventions relevant du portefeuille actuel et leurs liens avec les deux axes sont résumés ci-dessous:

Axe	Interventions	
	Projets en cours	Prochaines étapes
Diversification des systèmes d'agriculture paysanne	<p><b>ETI-GB:</b> investissements dans les infrastructures économiques (irrigation, terres, routes reliant les exploitations et les marchés) et dans les filières par l'intermédiaire des organisations paysannes et des partenariats public-privé-producteurs</p> <p><b>GLLSP-II:</b> Développement des filières halieutiques (création de coopératives, de valeur ajoutée et de liens avec les marchés)</p> <p><b>KP-RETP:</b> Développement des entreprises agricoles (par l'intermédiaire des organisations paysannes et des partenariats public-privé-producteurs)</p> <p><b>NPGP:</b> Modèles novateurs pour les entreprises locales à vocation sociale, partenariats public-privé-producteurs, intégration du numérique</p> <p><b>SPPAP:</b> Accès à de meilleures machines par l'intermédiaire de prestataires de services, infrastructures d'irrigation, formation</p>	Transposition à plus grande échelle et consolidation du développement inclusif des filières, liens avec les marchés, intégration des jeunes à l'agriculture, entreprises agricoles et prestation de services
Affranchissement de la pauvreté	<p><b>GLLSP-II:</b> Fourniture d'actifs, renforcement des compétences, accès aux services financiers et aux marchés</p> <p><b>KP-RETP:</b> Préparation des jeunes au marché, capitaux de démarrage</p> <p><b>NPGP:</b> Fourniture d'actifs, formation professionnelle, formation à l'entrepreneuriat, accès aux services financiers, inclusion sociale</p> <p><b>SPPAP:</b> Fourniture d'actifs, renforcement des compétences, infrastructures, inclusion sociale et financière</p>	<p>Consolidation, transposition à plus grande échelle et reproduction des modèles efficaces, application d'approches novatrices à d'autres districts (parmi les plus pauvres)</p> <p>Consolidation du modèle d'affranchissement de la pauvreté dans le cadre du SPPAP</p>

39. Le but du COSOP est de contribuer à la réduction inclusive et accélérée de la pauvreté rurale et à l'amélioration de la sécurité alimentaire en tenant compte des questions de genre, des jeunes, de la nutrition et des changements climatiques. Ce but fait fond sur les ODD 1, 2, 5, 8, 9, 10, 13 et 14 et s'inscrit dans le droit fil du Plan-cadre de coopération des Nations Unies pour le développement durable du Pakistan (2023-2027), qui est piloté par le pays et qui contribue à la mise en œuvre du Programme de développement durable à l'horizon 2030 et tient compte des priorités nationales de développement. En particulier, le présent COSOP contribuera à la réalisation des résultats 4 (croissance économique durable et inclusive et travail décent), 2 (égalité des genres et autonomisation des femmes), 3 (changements climatiques et environnement) et 1 (services de base et services sociaux) du Plan-cadre de coopération.
40. Les objectifs stratégiques du COSOP sont les suivants:
- i) **Objectif stratégique n° 1: Accroître la productivité et la rentabilité des petites exploitations par une diversification favorable à la résilience climatique et par une démarche centrée sur les entreprises agricoles.** Les principaux résultats attendus sont la création de pôles organisés à

vocation commerciale parmi les petits exploitants et la diversification de la production avec des produits à forte valeur, ce qui mènera à: l'accroissement des revenus des agriculteurs; la création de possibilités d'emploi et de débouchés commerciaux (agricoles et non agricoles) en faveur des jeunes et des femmes; le renforcement de la résilience face aux changements climatiques; l'amélioration de la sécurité alimentaire et de la nutrition des bénéficiaires.

- ii) **Objectif stratégique n° 2: Encourager l'inclusion des ménages extrêmement pauvres qui n'ont pas de terres en cherchant à les faire sortir de cette catégorie économique.** Le principal résultat attendu est que les ménages très pauvres sortiront de cette catégorie économique et auront des moyens d'existence convenables et autosuffisants, car ils disposeront des compétences requises, de moyens de production et de capitaux de démarrage d'entreprise et auront un emploi rémunérateur dans des entreprises agricoles coopératives, qui seront appuyées dans le cadre de l'objectif stratégique n° 1.
41. Le COSOP touche également les priorités ci-après des Douzième et Treizième reconstitutions des ressources du FIDA (FIDA12 et FIDA13).
- i) **Genre.** Les questions de genre seront intégrées à l'ensemble du portefeuille d'activités, à l'appui des principales priorités porteuses de transformation et de la participation des femmes. Les projets du FIDA cibleront en priorité les femmes pour ce qui est de l'accès aux moyens de production, des compétences professionnelles et techniques et de l'accès aux services financiers. Le Fonds collaborera également avec d'autres acteurs dans le cadre de l'approche pilotée par la communauté en vue de renforcer les organisations et les groupes de femmes et de donner aux femmes les moyens d'occuper des postes de direction et de prendre part aux décisions qui les concernent.
  - ii) **Jeunes.** Le COSOP permet de promouvoir l'emploi des jeunes et les perspectives non agricoles en prévoyant des formations professionnelles et techniques, l'accès aux capitaux de démarrage et une collaboration facilitée avec les coopératives agricoles et les groupes de production, de sorte que ceux-ci deviennent des prestataires de services dans la filière.
  - iii) **Sécurité alimentaire et nutrition.** L'accroissement des revenus qui découlera des interventions du COSOP (meilleure productivité agricole, emplois mieux rémunérés grâce aux formations susmentionnées, développement des entreprises agricoles) et l'amélioration des connaissances en matière de nutrition, due aux activités de renforcement des capacités, serviront à améliorer les disponibilités alimentaires, l'accès aux aliments et leur consommation, ainsi que les pratiques relatives à la nutrition et à l'alimentation. Les acteurs du COSOP chercheront activement à nouer des liens avec les programmes nutritionnels financés par l'État et les donateurs.
  - iv) **Changements climatiques.** La résilience face aux changements climatiques, l'atténuation de leurs effets et les stratégies d'adaptation à leurs conséquences sur l'agriculture et l'économie rurale seront intégrées à la planification des projets, aux interventions, à la sélection des cultures, aux activités de renforcement des capacités, au développement des infrastructures rurales et aux systèmes de suivi et d'évaluation des projets.
  - v) **Participation du secteur privé.** Le COSOP adhère fermement aux principes de participation du secteur privé et les met en œuvre en encourageant les partenariats public-privé-producteurs et le développement des entreprises agricoles. Selon cette approche, les partenaires issus du secteur privé sont

les coopératives et organisations agricoles, les institutions financières et les entreprises agricoles.

#### **D. Interventions du FIDA**

42. Le COSOP fait fond sur les ensembles d'interventions sur mesure utilisés dans les projets en cours, sur les enseignements tirés de l'expérience et sur les meilleures pratiques internationales. Les principaux éléments de l'éventail des interventions sont les suivants:
- i) **Interventions en cours.** Accélérer la mise en œuvre du portefeuille d'activités existant et trouver de nouvelles ressources pour pérenniser et développer les résultats positifs en renforçant la promotion des entreprises agricoles, les organisations paysannes, l'affranchissement de la pauvreté et l'autonomisation économique des jeunes et des femmes.
  - ii) **Placements.** Mobiliser des fonds issus du Système d'allocation fondé sur la performance (SAFP) de FIDA12 et de FIDA13, du Mécanisme d'accès aux ressources empruntées (MARE) et de guichets d'organisations non étatiques, avec d'éventuels cofinancements de partenaires nationaux et internationaux de développement pour deux ou trois nouveaux projets.
  - iii) **Mettre à profit le financement sous forme de dons.** Atteindre les objectifs stratégiques en faisant appel au FIDA, au Programme pour les agriculteurs d'Asie et du Pacifique (APFP), aux organisations paysannes pour l'Asie (Farmer Organizations for Asia, ou FO4A), à l'Association des agriculteurs d'Asie pour le développement rural durable (AFA): Garantir la résilience des agriculteurs familiaux (ARISE), aux fonds d'adaptation aux changements climatiques (le Fonds pour l'environnement mondial, par exemple), au Programme élargi d'adaptation de l'agriculture paysanne (ASAP+) et à d'autres partenaires (Union européenne, donateurs bilatéraux, etc.).
43. **Contribution à l'élaboration des politiques au niveau national.** L'agriculture, le développement rural, la protection sociale et la lutte contre la pauvreté sont guidés par des politiques incombant aux provinces et le Gouvernement fédéral assure la coordination générale. La contribution du FIDA, en particulier par l'intermédiaire de son bureau de pays et de ses équipes de projet, porte sur les niveaux provincial et fédéral. Les principaux domaines où le Fonds contribuera à l'élaboration des politiques en s'appuyant sur des données factuelles sont les suivants: i) les cadres institutionnels, juridiques et budgétaires à l'appui des organisations paysannes et des partenariats public-privé-producteurs; ii) l'octroi de titres de propriété (au Gilgit-Balkistan); iii) les réformes institutionnelles aux fins de l'accélération de l'affranchissement de la pauvreté (niveau national); iv) la stratégie d'inclusion économique de la jeunesse rurale; v) la politique de conservation des ressources halieutiques (Baloutchistan et Sindh). Le bureau de pays du FIDA facilitera la mise au point de produits du savoir pour apporter des contributions fondées sur des données factuelles aux forums sur les politiques, cernera les lacunes des politiques existantes et formulera des recommandations en matière de réforme. Dans le cadre de la contribution à l'élaboration des politiques, le Fonds donnera également la priorité aux partenariats stratégiques et à la participation aux efforts collaboratifs faits au titre du Plan-cadre de coopération et avec les organismes ayant leur siège à Rome, le groupe de travail des partenaires de développement agricole, l'équipe du plan pour la transformation de l'agriculture du Pakistan, les secteurs de la microfinance, des technologies financières et des technologies agricoles et d'autres réseaux.
44. **Renforcement des capacités.** Le FIDA suivra une approche à plusieurs niveaux pour renforcer les capacités des bénéficiaires, des organismes chargés de l'exécution et des responsables des politiques en investissant dans les projets et en proposant des formations. Une attention particulière sera accordée au

renforcement des capacités servant à intégrer la nutrition, les questions de genre, les jeunes, les changements climatiques, le suivi-évaluation et les technologies de l'information et des communications au service du développement. En parallèle, l'approche des services numériques de vulgarisation et de conseil agricoles, sous l'angle des technologies de l'information et des communications au service du développement, a été appliquée avec succès au titre d'un autre don appuyé par le FIDA<sup>6</sup> et peut être reproduite. Les agriculteurs recevront des conseils adaptés sur les cultures de la part de spécialistes à chaque étape du cycle de culture.

45. **La gestion des connaissances** sera facilitée par une stratégie et un plan d'action y relatifs, qui disposeront des ressources nécessaires et seront exécutés au niveau du pays, dans tous les projets en cours et à venir. Les activités de gestion des connaissances seront directement liées à des projets nationaux et provinciaux, aux besoins en matière de politiques et à l'avantage comparatif du FIDA. La finalité sera de rassembler des données probantes aux fins de la reproduction et de la transposition à plus grande échelle des innovations ayant donné de bons résultats et des interventions à fort impact testées lors de projets du Fonds, ainsi que d'apporter des contributions de qualité aux réformes des politiques. Les données et informations recueillies moyennant les systèmes de suivi et d'évaluation, conformément aux indicateurs de performance du COSOP, contribueront à consigner les enseignements à tirer et les meilleures pratiques en vue d'une diffusion plus large.
46. **Coopération Sud-Sud et triangulaire (CSST).** De nombreuses possibilités de CSST existent, en particulier en ce qui concerne les dons régionaux du FIDA servant à promouvoir les organisations paysannes. L'accent sera mis sur l'Association sud-asiatique de coopération régionale pour la démocratie, mais aussi sur l'Afrique et l'Amérique latine.
47. Les activités ayant trait à la **communication et à la visibilité** contribueront à informer les bénéficiaires, les décideurs et les autres groupes cibles des réalisations, et le rôle des pouvoirs publics, du FIDA, des cofinanceurs et des autres partenaires de développement sera explicitement mentionné. En plus d'informer les parties prenantes de l'impact des programmes financés par le FIDA, les activités de communication auront pour objectif de diffuser des informations sur des sujets clés auprès des groupes cibles en utilisant différentes voies, de la presse écrite à la télévision et à Internet. Elles portent sur des sujets comme la nutrition, l'autonomisation des femmes et les mécanismes de réponse aux doléances.
48. En dehors des principaux domaines d'intervention du FIDA, des possibilités de partenariat seront étudiées avec la Banque asiatique de développement (BASD), la Banque mondiale, les autres organismes ayant leur siège à Rome et d'autres acteurs, de façon à élargir la portée de l'appui prêté par le Fonds, notamment dans des domaines comme les infrastructures d'eau et d'assainissement et le renforcement des institutions et organisations, en particulier de celles œuvrant en faveur des femmes.

## **V. Innovations et reproduction à plus grande échelle pour des résultats durables**

49. **Innovations.** Le FIDA a déjà encouragé au Pakistan des innovations relatives à la microfinance, au ciblage fondé sur la fiche d'évaluation de la pauvreté, à l'affranchissement de la pauvreté, aux logements à faible coût, au développement de filières par l'entremise des coopératives agricoles, au développement des infrastructures d'irrigation et à la mise en valeur des terres d'une manière participative et fondée sur le recouvrement des coûts, ainsi qu'à la participation

<sup>6</sup> Le projet intitulé « L'agriculture de précision à l'appui de transformations axées sur des systèmes alimentaires inclusifs » a reçu un don du FIDA de 1,5 million d'USD et a permis de venir en aide à plus d'un million d'agriculteurs; les enseignements et les résultats tirés du projet peuvent être reproduits à plus grande échelle dans le programme de pays.

des femmes et des jeunes. Dans le cadre du COSOP, les innovations ayant donné de bons résultats seront mises à profit, en particulier: le développement de filières au service d'une approche fondée sur la diversification et le développement des entreprises agricoles par pôles; les modèles d'affranchissement de la pauvreté dans le cadre d'une approche inclusive par pôles, l'objectif étant d'aider les jeunes et les femmes issus de familles pauvres et sans terres à sortir durablement de la pauvreté pour participer activement aux filières, bénéficiant d'un appui et diversifiées grâce à des cultures à forte valeur.

50. **Reproduction à plus grande échelle.** Les données factuelles et les enseignements tirés de l'expérience par le FIDA sont transposés à plus grande échelle. L'approche programmatique adoptée pour le précédent COSOP a permis au Fonds d'appliquer à plus grande échelle des innovations dans le cadre des projets SPPAP et GLLSP-II, ainsi que des approches novatrices efficaces en matière de développement des filières dans le cadre du projet ETI-GB. En outre, la participation des jeunes et des femmes a influencé la conception du projet KP-RETP approuvé récemment. L'approche novatrice du FIDA en matière d'affranchissement de la pauvreté a été transposée à plus grande échelle par les pouvoirs publics en 2019 avec l'Initiative nationale d'affranchissement de la pauvreté (NGPI), et le modèle SPPAP a été appliqué à 10 autres districts parmi les plus pauvres. L'approche centrée sur le ciblage, l'affranchissement de la pauvreté et les organisations paysannes est reproduite par d'autres partenaires de développement. Dans le cadre du présent COSOP, les innovations qui ont donné de bons résultats au titre des projets ETI-GB, GLLSP et KP-RETP seront adaptées et transposées à plus grande échelle pour être utilisées aux fins des plans d'activités des organisations paysannes, de la collaboration avec le secteur privé, de la participation des femmes et des jeunes à la création de valeur ajoutée et de la prestation de services.

## **VI. Exécution du COSOP**

### **A. Enveloppe financière et cibles de cofinancement**

51. Le COSOP couvrira deux cycles du SAFP, à savoir FIDA12 (2022-2024) et FIDA13 (2025-2027). S'agissant de FIDA12, l'allocation indicative au titre du SAFP s'établit à 104,1 millions d'USD accordés à des conditions mixtes et un montant indicatif de 7 millions d'USD sera octroyé au titre du MARE à des conditions ordinaires. Pourrait venir s'y ajouter le même montant environ pour la période 2025-2027, si la performance du programme était satisfaisante. Afin d'encourager les investissements dans les populations rurales, le FIDA cherchera activement des possibilités de cofinancement.

Tableau 1

**Projets en cours ou prévus: financements du FIDA et cofinancements**  
(en millions d'USD)

Projet	Financement du FIDA	Cofinancement		Ratio de cofinancement
		National	International – complément	
<b>En cours</b>				
Don relevant du SPPAP	151 669 2 900	28 941		
ETI-GB	67 000	30 171	22 980	
NPGP	82 600	49 900	17 300	
GLLSP-II Don relevant de la Division Asie et Pacifique Don du Fonds saoudien pour le développement (FSD)	60 155 3 000 3 000	9 646		
KP-RETP	84 192	78 017	15 913	
Renforcement de la résilience des ménages pauvres et vulnérables – don relevant du Mécanisme de relance en faveur des populations rurales pauvres (RPSF)	2 371			
Dispositif de CSST pour le Pakistan – don	500			
Dons régionaux ARISE	200			
<b>Prévus pour FIDA12</b>				
À déterminer	61 500			
<b>Total</b>	<b>516 477</b>	<b>196 675</b>	<b>56 193</b>	<b>1:0,48</b>

52. Les cofinancements annoncés par l'Union européenne (KP-RETP) et l'Agence italienne de coopération au service du développement (ETI-GB) devraient prendre effet en 2023. D'autres cofinancements de la BASD, de la Banque mondiale et d'autres donateurs bilatéraux seront envisagés pour des projets relevant de FIDA12 et de FIDA13. Le financement de contrepartie versé par l'État ne devrait pas évoluer.

## **B. Ressources consacrées aux activités hors prêts**

53. L'équipe de pays du FIDA cherchera activement d'autres possibilités de financements hors prêts pour compléter et étoffer l'enveloppe d'investissements du Fonds. Il peut s'agir du RPSF, de dons de l'APFP, de FO4A ou d'ARISE, de mécanismes de CSST, d'ASAP+ ou du Programme mondial sur l'agriculture et la sécurité alimentaire.

## **C. Principaux partenariats stratégiques et coordination du développement**

54. Le partenariat stratégique de cofinancement et de coordination des activités de développement sera renforcé, l'objectif étant de mobiliser des investissements en faveur des pauvres des zones rurales. Le FIDA cherchera à nouer des partenariats stratégiques afin d'obtenir des ressources, en particulier avec les pouvoirs publics en vue d'accroître le financement de contrepartie et la transposition à plus grande échelle, et avec l'Union européenne, la BASD, la Banque mondiale, la Banque asiatique d'investissement dans les infrastructures, le FSD, l'Agence italienne de coopération au service du développement et d'autres partenaires bilatéraux en vue d'éventuels cofinancements et actions collaboratives.

55. Au niveau national, le Ministère des affaires économiques restera le principal interlocuteur du FIDA dans le pays. Les collaborations existantes seront renforcées avec l'administration publique chargée de la lutte contre la pauvreté et de la sécurité sociale, aux fins de l'affranchissement de la pauvreté, avec le Ministère de la sécurité alimentaire nationale et de la recherche, ainsi qu'avec les administrations provinciales concernées et le secteur privé aux fins de la transformation agricole.



56. Le FIDA a établi des partenariats étroits et stratégiques avec les organismes des Nations Unies qui interviennent au Pakistan au titre du Plan-cadre de coopération 2023-2027, et sa contribution contribue à quatre des cinq résultats du Plan-cadre. La collaboration avec les autres organismes ayant leur siège à Rome portera sur l'agriculture climato-compatible et le renforcement de la résilience avec des effets directs sur la nutrition et la sécurité alimentaire.

#### **D. Participation des bénéficiaires et transparence**

57. Dans le cadre du COSOP, l'approche de la participation des bénéficiaires et de la transparence prévoit les mesures suivantes: collaborer avec des institutions spécialisées afin de mobiliser la société civile et les entreprises; faciliter la préparation des jeunes au marché; développer les institutions; apporter toute autre assistance technique nécessaire; mettre en place des mécanismes de réponse aux doléances et de remontée de l'information (aux niveaux du projet, du bureau de pays et du FIDA); mener des activités de sensibilisation et de formation; communiquer régulièrement entre acteurs des projets et programmes. En plus de faire l'objet d'un suivi-évaluation participatif, tous les projets seront soumis à des évaluations indépendantes périodiques.
58. La stratégie de passation de marchés prévoit l'adoption des Directives du FIDA pour la passation des marchés relatifs aux projets, et le Guide pratique de passation des marchés du FIDA sera adapté et adopté par l'équipe du programme financé par le Fonds. Cette démarche comprend l'adoption des documents standard du FIDA relatifs à la passation de marchés, y compris des dossiers d'appel d'offres standard. Des professionnels de la passation de marchés devront être employés à plein temps dans l'équipe de projet et épaulés par des assistants, et le bureau de pays du FIDA au Pakistan comptera parmi ses effectifs une ou un spécialiste accrédité de la passation de marchés qui facilitera l'ensemble des opérations. Les politiques du Fonds en matière de lutte contre la corruption et les garanties des Procédures d'évaluation sociale, environnementale et climatique (PESEC) qui sont applicables seront recensées et adoptées. Dans le cadre du développement des capacités des institutions sur le long terme, les équipes chargées des programmes devront prendre part à des initiatives de renforcement des capacités, dont le programme BuildProc et d'autres programmes nationaux de formation à la passation de marchés. Le risque inhérent associé à la passation de marchés est globalement important, mais le risque net après adoption de mesures d'atténuation oscille entre faible et modéré. Sur la base des risques constatés, le FIDA organisera chaque année des missions indépendantes d'évaluation de la passation de marchés, complétées par des missions de suivi et par ses systèmes de passation de marchés de bout en bout.

#### **E. Modalités de gestion du programme**

59. Le COSOP sera mis en œuvre sous la houlette du bureau de pays du FIDA, dirigé par une directrice un directeur de pays affecté dans le pays. Le Ministère des affaires économiques et les administrations compétentes aux niveaux fédéral et provincial prendront activement part à la mise en œuvre. La directrice ou le directeur de pays sera épaulé par le personnel du bureau de pays à Islamabad et par des consultants indépendants. L'exécution du programme de pays sera aussi facilitée par le siège du FIDA en ce qui concerne les questions thématiques.

#### **F. Suivi-évaluation**

60. Les progrès réalisés au regard des objectifs stratégiques et des résultats escomptés du COSOP seront évalués au moyen du cadre de résultats du programme. Les indicateurs de performance des projets en cours et des nouveaux projets seront alignés, dans la mesure du possible, sur le COSOP. Un examen à mi-parcours du COSOP sera effectué en 2025, le but étant d'évaluer la pertinence et la validité des objectifs stratégiques, d'examiner les progrès accomplis dans l'obtention des résultats attendus et de tirer des enseignements et de formuler des

recommandations qui permettront d'améliorer la performance. Les conclusions de l'examen jetteront les bases d'une évaluation de l'approche axée sur le portefeuille et des interventions, de façon à améliorer les résultats obtenus et le dialogue sur les politiques.

61. Une aide sera apportée aux équipes de projet pour qu'elles élaborent des systèmes de suivi et d'évaluation qui correspondent aux indicateurs de résultat du COSOP et qui permettront de communiquer des informations sur les activités de prêt et hors prêts. L'adhésion des organismes chargés de l'exécution aux systèmes provinciaux et nationaux de suivi et d'évaluation sera également facilitée. Enfin, une assistance technique sera prêtée aux organismes provinciaux et nationaux de coordination s'agissant de surveiller et d'assimiler les modèles efficaces mis à l'essai dans le cadre des activités du FIDA relatives à l'affranchissement de la pauvreté, à la diversification des cultures, à la résilience face aux changements climatiques et à l'autonomisation des femmes et des jeunes.

## VII. Gestion des risques

62. Le tableau 2 ci-dessous résume les principaux risques liés au programme et les mesures d'atténuation y relatives:

Tableau 2  
Risques et mesures d'atténuation

Risques	Niveau de risque	Mesures d'atténuation
Instabilité politique	Modéré	<ul style="list-style-type: none"> <li>Fonder les accords internationaux sur les dispositions de la Constitution</li> <li>Ancrer les projets au niveau provincial</li> <li>Assurer un suivi permanent de la situation sociopolitique et apporter des modifications le cas échéant</li> </ul>
Instabilité macroéconomique et forte inflation	Élevé	<ul style="list-style-type: none"> <li>Aider les pouvoirs publics en matière de réduction de la pauvreté, de sécurité alimentaire, de nutrition et de diversification de l'agriculture</li> <li>Encourager les investissements dans des initiatives en faveur des ménages extrêmement pauvres et des petits exploitants afin d'atténuer les retombées de la forte inflation</li> </ul>
Sécurité	Modéré	<ul style="list-style-type: none"> <li>Assurer un suivi permanent des conditions de sécurité et prendre les mesures qu'il convient si elles se dégradent</li> <li>Communiquer régulièrement avec les services de sécurité nationaux et des Nations Unies et avec le Département de la sûreté et de la sécurité du Secrétariat de l'ONU</li> <li>Mobiliser les prestataires de services locaux et adopter des approches participatives qui font appel aux réseaux communautaires (possibilités d'atténuer les risques liés à la sécurité)</li> </ul>
Stratégies et politiques d'appui	Modéré	<ul style="list-style-type: none"> <li>Aider l'administration fédérale et les administrations provinciales à examiner et à formuler des politiques et stratégies sur la sécurité alimentaire, la nutrition et le développement des petites exploitations</li> </ul>
Capacités institutionnelles	Modéré	<ul style="list-style-type: none"> <li>Assurer une supervision et donner des conseils sur les politiques aux niveaux fédéral et provincial</li> <li>Faciliter la mise en œuvre et fournir des ressources adéquates aux fins du renforcement des capacités techniques et des capacités de gestion dans le cadre des opérations</li> </ul>
Risques fiduciaires – gestion financière	Élevé	<ul style="list-style-type: none"> <li>Organiser des séances de formation aux systèmes de gestion financière du FIDA à l'intention des équipes responsables des questions financières</li> <li>Examiner chaque trimestre les progrès réalisés par les partenaires d'exécution au regard des objectifs et effectuer des paiements sur présentation des états de dépenses</li> <li>Organiser des inspections sur le terrain par les équipes de gestion financière des partenaires d'exécution pour garantir le bon fonctionnement de l'établissement de rapports de situation et des contrôles internes</li> <li>Examiner comme il se doit les conclusions d'audit pour repérer et recouvrer rapidement les dépenses non admissibles</li> </ul>
Risques fiduciaires – passation des marchés	Modéré	<ul style="list-style-type: none"> <li>Adopter une version adaptée des Directives du FIDA pour la passation des marchés relatifs aux projets et du Guide pratique de passation des marchés du FIDA</li> <li>Utiliser les documents standard de passation de marchés du FIDA</li> </ul>

		<ul style="list-style-type: none"> <li>• Mettre en place des mécanismes de gestion des plaintes et des mesures d'atténuation au niveau des projets</li> <li>• Promouvoir des procédures de passation de marchés qui permettent la mise en concurrence et n'autoriser les exceptions que sur approbation de la ou du responsable principal de la passation des marchés au niveau régional</li> <li>• Veiller au respect de la politique anticorruption du FIDA et des garanties des PESEC</li> <li>• Renforcer les capacités moyennant la participation au programme de certification BuildProc</li> <li>• Organiser des missions indépendantes d'évaluation de la passation de marchés, sur la base des risques constatés, ainsi que des missions de suivi</li> </ul>
Environnement et climat	Modéré	<ul style="list-style-type: none"> <li>• Promouvoir les innovations agricoles climato-compatibles, notamment l'utilisation des énergies renouvelables à tous les niveaux des filières</li> <li>• Mettre en œuvre des cadres de gestion environnementale et sociale, mener des évaluations de l'impact et appliquer les plans de gestion et d'atténuation connexes</li> </ul>
Risques sociaux	Élevé à modéré (intégration des questions de genre)	<ul style="list-style-type: none"> <li>• Appliquer des approches adaptées sur le plan culturel</li> <li>• Adopter une approche inclusive du développement qui soit acceptable sur le plan culturel pour favoriser la prise en compte des questions de genre et la participation des jeunes</li> </ul>
Risque global	Modéré	<ul style="list-style-type: none"> <li>• Veiller à l'appropriation et à l'engagement en faisant participer les parties prenantes fédérales, provinciales et sous-provinciales, y compris les organisations de la société civile, à la conception et à la mise en œuvre des programmes</li> </ul>

## COSOP results management framework

Country strategy alignment	Related SDG and UNSDCF outcomes	Key COSOP results			
<p><b>National SDG Framework (2018) – Long term Prioritized National Goals</b></p> <ul style="list-style-type: none"> <li>• Introduce innovation in skills development curricula</li> <li>• Adaptation strategy at community level to mitigate the impact of climate change</li> <li>• Community stewardship in conservation and sustainable practices</li> <li>• Changes in land use planning</li> <li>• Develop synergies through enhanced policy coherence</li> </ul> <p><b>Vision 2025</b></p> <ul style="list-style-type: none"> <li>• Pillar I: People First: Encompasses poverty eradication and gender empowerment</li> <li>• Pillar IV; Energy, Water &amp; Food Security. Establishment of Rural Business Hubs (RBHs).</li> <li>• Pillar V: Private Sector &amp; Entrepreneurship Led growth: Rural job schemes or business support loans</li> <li>• Pillar VI: Developing a Competitive Knowledge Economy through Value Addition. Cluster based development approach to stimulate rural economic growth Endowment Fund will be created to finance modernization of agriculture.</li> </ul>		<i>Goal and Strategic objectives</i>	<i>Lending and non-lending activities for the COSOP period</i>	<i>Outcome indicators</i>	<i>Milestone indicators</i>
		Contribute to inclusive and accelerated rural poverty reduction and enhanced food security in a gender, youth, nutrition, and climate change sensitive manner.	• All	<ul style="list-style-type: none"> <li>• Poverty rates in target population</li> <li>• Stunting rates in target population</li> </ul>	<ul style="list-style-type: none"> <li>• 10% lower than the comparable groups</li> <li>• 20% lower than the comparable groups</li> </ul>
	<p><b>Sustainable Development Goals:</b> SGD 1; SDG 2; SDG 5; SDG 8; SDG 13; SDG 17</p> <p>UNSDCF (2023-2027): Basic Social Services (Outcome 1); Gender Equality and Women Empowerment (Outcome 2); Climate Change and Environment (Outcome 3); Sustainable Inclusive Economic Growth and Decent Work (Outcome 4).</p>	Enhancing productivity and profitability of smallholder farmers through climate resilient diversification and an agribusiness approach	<ul style="list-style-type: none"> <li>• Lending/investment activities</li> <li>• Ongoing: ETI-GB; GLLSP II; KP-RETP and NPGP.</li> <li>• Indicative: IFAD/ADB Sindh Coastal Resilience Project (SCRP) and Punjab Rural Employment and Agriculture Project)</li> <li>• Non-lending/non-project activities</li> <li>• Ongoing: Farmer Organisation Titling and Fisheries Regulation Reforms in Sindh and Baluchistan</li> <li>• Partnerships</li> <li>• (i) ADB under SCRPs, Italian Cooperation under ETI-GB; EU under KP-RETP; FAO/WFP under GLLSP II; Private sector under 4Ps; and, World Bank/ADB/ IFPRI/FAO etc. on Agriculture Sector Policy Support</li> <li>• SSTC</li> <li>• Knowledge sharing, technology transfer and public and private sector partnerships for collaboration</li> <li>• Knowledge management</li> <li>• Just in Time Policy Notes under Partnership for Agricultural Transformation; Media Engagement and Analytical Studies</li> </ul>	<ul style="list-style-type: none"> <li>• Number of new jobs created</li> <li>• (Number) Percentage of supported rural enterprises reporting an increase in profit</li> <li>• (Number) Percentage of rural producers' organizations engaged in formal (partnerships/ agreements or contracts with public or private entities</li> <li>• (Number) Percentage of persons/ households reporting improved physical access to markets, processing and storage facilities</li> </ul>	<ul style="list-style-type: none"> <li>• 500 000 jobs (200 000 by midterm)</li> <li>• 60%</li> <li>• 50%</li> <li>• 70%</li> </ul>

<p><b>National Food Security Policy</b></p> <ul style="list-style-type: none"> <li>● Promote Sustainable food production systems (crop, livestock and fisheries) by achieving an average growth rate of 4% per annum</li> <li>● Make agriculture more productive, profitable, climate resilient and competitive.</li> </ul> <p><b>Ehsaas Programme</b></p> <ul style="list-style-type: none"> <li>● Social safety nets and poverty graduation</li> </ul> <p><b>National Youth Development Framework</b></p> <ul style="list-style-type: none"> <li>● Mainstreaming marginalised youth</li> <li>● Employment and economic empowerment</li> </ul>	<p><b>Sustainable Development Goals:</b> SGD 1; SDG 2; SDG 5; SDG 8; SDG 13; SDG 17</p> <p>UNSDCF (2023-2027): Basic Social Services (Outcome 1); Gender Equality and Women Empowerment (Outcome 2); Climate Change and Environment (Outcome 3); Sustainable Inclusive Economic Growth and Decent Work (Outcome 4).</p>	<p>Fostering inclusion of the landless and ultra-poor households through an economic graduation approach</p>	<ul style="list-style-type: none"> <li>● <b>Lending/investment activities</b> Ongoing: ETI-GB; GLLSP II; SPPAP and NPGP. Indicative: IFAD/ADB Sindh Coastal Resilience Project; and, Pakistan Rural Youth Mainstreaming and Employment Support Programme (RYMES)</li> <li>● <b>Non-lending/non-project activities:</b> Farmer Organisation Framework Reforms; Secure Land Titling and Fisheries Regulation Reforms in Sindh and Baluchistan</li> <li>● <b>Partnerships</b> EU through KP-RETP; ADB for Sindh; FAO and WFP for policy support, agribusiness, food security and nutrition – GLLSP II; Private sector under 4Ps</li> <li>● <b>SSTC</b> Knowledge sharing, exposure visits, technology transfer platforms and public and private sector partnerships for collaboration</li> <li>● <b>Knowledge management</b> Just in Time Policy Notes under Partnership for Agricultural Transformation; Media Engagement and Analytical Studies</li> </ul>	<ul style="list-style-type: none"> <li>● Number of households provided with productive assets and skills for employment</li> <li>● (Number) Percentage of persons/ households reporting an increase in production</li> <li>● (Number) Percentage of persons/ households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</li> <li>● (Number) Percentage of women reporting improved quality of their diets</li> </ul>	<ul style="list-style-type: none"> <li>● 1 000 000 (350 000 by mid-term)</li> <li>● 60%</li> <li>● 70%</li> <li>● 70%</li> </ul>
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## Transition scenarios

63. Pakistan is a lower-middle-income country and remains vulnerable to possible flare-ups of the natural and human induced disasters. Recent challenges faced by the nation include the Covid pandemic, flash floods 2022, tightening conditions governing international financing, continuing geopolitical tensions, as well as delay in implementation of reforms. The Ukraine-Russia conflict exerts its own pressure and could result in slowing down the development in Pakistan and further increase food insecurity.
64. The country's economy is set to continue recovering in FY 2022, with a real GDP growth projected at around 4 per cent. Inflation has been unprecedentedly high and is expected to continue rising this year. High demand pressures and rising global commodity prices resulted in double-digit inflation and a significant increase in the import bill. Rising food and energy prices, due to the disruptions in the supply chains owing mainly to the Russian-Ukraine war, continue to pose a challenge. It is projected that inflation and economic slow-down combined with the recent flood will reduce the households' actual purchasing power significantly, and more so, disproportionately affecting the poor and vulnerable segments. This will drastically impact nutrition and food security, a segment which spend at the biggest proportion of their income on food products. Public debt as a share of GDP is projected to stay high, but to gradually decline over the period of the COSOP 2023-27. In the context of the country in general and rural areas in particular addressing multidimensional poverty, and climate change will remain key challenges in the country during this COSOP period of 2023-27.
65. The country is preparing through short, medium and long term strategies to reduce poverty and food insecurity caused by the recent floods and given the Russia-Ukraine war, and in particular is exploring alternate import channels for wheat to fill the food deficit. Secondly, to insure consumption smoothening, the social safety net has been scaled-up to promote well-being.
66. This annex is sketched out with a view to align intervention strategies under possible scenarios based on disasters, risks and capacity gaps such as the COVID19 pandemic, floods and conflicts. The following table presents the macro-economic variables under different scenarios. For the purpose of IFAD engagement in Pakistan, the base-case scenario is the most likely one.

Table 1  
**Projections for key macroeconomic and demographic variables**

Case	base	High	Low
Average GDP growth (2022- 2026)	4.2%	4.9%	3%
GDP per capita, US\$ per PPP (2022-2026)	6,470	7,510	6.180
Public debt (% of GDP) (2022- 2026)	65.4%	70.7%	65.7%
Debt service ratio (2022, US\$ m)	19.3%	21.9%	13.7%
Inflation rate (%) (2022-2026)	7.5%	5.2%	9.4%
Rural population	2020: 138,797,696 2026: 144,655,000 Annual growth rate: 3.94%		
Investment climate for rural business	4/6 The 2021 RSPA overall score for Pakistan stands at 3.6. IFAD's Rural sector performance assessment (RSPA) measures the quality of countries' policies and institutions in the rural sector, for achieving rural development and rural transformation benefitting the poor. Pakistan scored relatively stable score of 3.6 in the RSPA index respectively in adapting to environmental policies and practices, legal frameworks, access to markets, gender and nutrition sensitive projects and lacks in indicators related to macroeconomic policies for rural development		
Vulnerability to shocks	4.5/6 Based on the ND-GAIN index score of 39 (combining a score of 0.530 on vulnerability and a score of 0.311 on readiness), The high vulnerability score and low readiness score of Pakistan places it in the upper-left quadrant of the ND-GAIN Matrix. It has both a great need for investment and innovations to improve readiness and a great urgency for action. Pakistan is the 35th most vulnerable country and the 43 <sup>rd</sup> least ready country		

*Footnotes:*

<sup>a</sup> Data sources: Economic Intelligence Unit (EIU) "Country Forecasts" with 4-year projections. IMF Country Report No. 21/260 Pakistan 2021 Article IV Consultation

<sup>b</sup> Rating (1-6), Source Rural Sector Performance Assessment IFAD 12, RSPA 12

<sup>c</sup> Rating (1-6), ND-GAIN Country Index-Pakistan, <https://gain.nd.edu/our-work/country-index/>

67. Base case scenario - During the period from 2022-2027, a 4.2 per cent increase in real GDP is anticipated. Under the relatively high inflation, that will limit people's purchasing power, and GDP per capita at PPP would remain above \$6 000. Due to rising inflation, private sector investment is projected to remain low. It is also anticipated that appropriate trade policy, export growth and stronger fiscal discipline may help narrowing down the current account over the timeline of the COSOP. Continued adherence to a market-determined exchange rate and a prudent macroeconomic policy mix will assist in alleviating external pressures. Government investments in food security and climate change mitigation as well as resilience building to shocks is expected to rise especially in the aftermath of the devastating floods (2022). In 2022, producer prices are projected to remain high due to a weak currency, supply-chain disruptions, and high commodity prices. Producer prices will decelerate between 2023 and 2026, to an average of 4.9 per cent, due to lower global oil and commodity prices and the relaxation of supply-side pressures. Remittances are likely to be reasonably high over the COSOP period.
68. High case scenario- Overall GDP growth would average 4.9 per cent over the COSOP period. Agriculture production growth is expected to grow by 3 per cent in 2026 gradually from actual rate of 2.7 per cent in 2021. Debt levels are projected to continue their downward path with narrower twin deficits on the back of the planned fiscal adjustment and robust growth: public debt is projected to fall toward 70 per cent and total external debt to decline toward 35 per cent of the GDP by FY 2026. Stronger flows of remittances from the Gulf countries continue to support the average GDP per capita particularly in the rural population. Consumer price inflation will decelerate in 2023, reflecting the dissipation of domestic supply-side inflationary pressure and an easing of global oil and commodity prices. Overall, we

expect consumer price inflation to average 5.2 per cent a year in 2023-26, assuming stable energy tariffs and no introduction of new consumption taxes. By 2023, vaccination rollout is expected to accelerate its pace and about 80 per cent population will complete their complete initial protocol of 1st and 2nd doses. Despite supply chain disruptions in the Black Sea port, higher domestic production of wheat, maize, rice, and sugarcane in FY21 contributed to lower food price pressures in H1 FY22, and is expected to meet the domestic consumer demand until 2026 if supported by appropriate macroeconomic policies for the agricultural sector.

69. Low Case Scenario- Average inflation is expected to temporarily increase in the coming months and average 9.4 per cent in FY 2022 due to the recent terms of trade shock, continued energy price adjustments, and trade reforms. Consumer price inflation, while moderating slightly from 2021, will remain elevated in 2022, owing to high fuel prices and imported inflationary pressures stemming from the weakness of the currency. Macroeconomic risks remain very high. These include tighter global financing conditions, potential further increases in world energy prices, and the possible risk of a return of stringent COVID-19-related mobility restrictions. Vaccination rate will continue to be in the same pace and there will be a gap between partially and completely vaccinated population. Domestically, political uncertainty and policy reform slippages can also lead to protracted macroeconomic imbalances. In this scenario, GDP growth is expected to be significantly below the existing trend-line at 4.2 per cent over the COSOP timeline.
- a) **Lending terms and conditions** - Pakistan is a lower middle-income country that is currently receiving loans under IFAD12, on blend terms (maturity period of 25 years, grace period of five years from the date of approval by the Executive Board). They bear a service charge on the principal amount outstanding, subject to a floor of 0.75 per cent per annum with adjustments made for single-currency loans. In addition, interest is payable on the principal amount outstanding at a fixed rate of 1.25 per cent with adjustments made for single-currency loans in US\$ and EUR, subject to a floor of zero per cent. The principal of loan is amortized at 5 per cent of the total principal withdrawn per annum from years 6 to 25.
  - b) **COSOP priorities and products (e.g. investment projects, policy engagement, reimbursable technical assistance)** - In the base line scenario, it expected that COSOP priorities and associated products will remain highly relevant irrespective of transition scenarios. However, given the slightly less concessional resources available such as BRAM, the country might choose to forgo them totally or partially. In that case, the overall investment envelope still remains identical to the one in IFAD 11. This entails no major changes in the number and size of investment projects to be included in the pipeline over the COSOP period. Furthermore, given the country current focus on charting sector-based pathways for post-pandemic and post-flood economic recovery, IFAD will need to be more proactive in policy engagement to better accompany country's efforts towards a more sustainable and inclusive rural transformation and supporting macroeconomic policies aimed to strengthened rural development.
  - c) **Co-financing opportunities and partnerships**- Domestic co-financing and partnership opportunities should increase under the high scenario. The low case, on the other hand, would limit co-financing opportunities both domestically and internationally, which is not likely.



## Agricultural and rural sector issues

### Overview

70. Pakistan is a blend of landscapes varying from plains to deserts, forests, and plateaus ranging from the coastal areas in the south to the high mountains ranges of the Karakorum, Hindukush and Himalayas in the north. The country is broadly divided into three geographic areas: the northern highlands; the Indus River plain, with two major subdivisions corresponding roughly to the provinces of Punjab and Sindh; and the Baluchistan Plateau. Pakistan's society and agriculture economy are highly dependent on the surface and groundwater resources of the Indus River Basin. The total agriculture land (arable and forest land) as share of total area is 43% and total crop area (net area sown and area sown more than once) is 30% of total area<sup>7</sup>.
71. Pakistan is a lower-middle-income country with a gross national income per capita (Atlas method) of US\$ 1641 in 2022. The economy exhibits pattern of growth characterized by boom and bust periods due to several unresolved structural challenges that precipitate into fiscal and financial difficulties.
72. Pakistan's economy is dominated by services sector with a 61.7% share in GDP followed by agriculture at 19.2% and manufacturing 19.1%. Remittances in addition to being an important source of supplementary livelihood for poor households, financed over 97 percent of the country's trade imbalance thereby contributing to the foreign exchange reserves build-up and reducing the government's external financing requirements.
73. Pakistan population for 2022 is estimated at 229.5 million<sup>8</sup> and is expected to reach 338 million in 2050. Around 63% of the population live in rural areas. Pakistan is a young country having 64% of the nation younger than 30 and 29% between 15 and 29. Poverty remains persistent, and the country's multidimensional poverty index (MPI) is 0.198 with 38.3% of the population ranked as poor while 21.5% of population is in severe multidimensional poverty in 2021<sup>9</sup>. Rural multidimensional poverty is 49.8%.

### The agricultural and rural economy

74. **Agriculture remains the foundation of Pakistan's economy:** Despite the declining share in country's GDP, agriculture sector is central to the overall growth of economy, food security, employment generation and poverty alleviation. The sector employs 39% of the national labour force<sup>10</sup> while 65% of rural population directly or indirectly dependent on agriculture for their livelihood.
75. **Agriculture sector's strong linkages with the rest of the economy:** While on the one hand, the sector is a primary supplier of raw materials to downstream industry and services sector, contributing to Pakistan's exports and value creation, on the other hand, it is a large market for industrial products such as fertilizer, pesticides, and agricultural machinery and implements. Agriculture has strong forward and backward linkages with the wholesale and retail trade in the form of marketing of output and purchase of inputs by the farming population and intermediaries. Overall, 53 percent of the net overall trading margin is linked to the performance of agriculture. Agriculture (rice, fish, meat, vegetables and fruit)

<sup>7</sup> Land Utilisation Statistics 2019-2020, Pakistan Bureau of Statistics, Government of Pakistan.

[https://www.pbs.gov.pk/sites/default/files/tables/agriculture\\_statistics/table\\_3\\_land\\_utilization\\_statistics.pdf](https://www.pbs.gov.pk/sites/default/files/tables/agriculture_statistics/table_3_land_utilization_statistics.pdf).

<sup>8</sup> <https://www.unfpa.org/data/world-population/PK>.

<sup>9</sup> Charting pathways out of multidimensional poverty: Achieving the SDGs/Global MPI: United Nations Development Programme and Oxford Poverty and Human Development Initiative, 2020.

<sup>10</sup> Pakistan Economic Survey 2020-2021, Ministry of Finance, Government of Pakistan.

together with agriculture based value added products (mainly textile and leather goods) constituted 80% of the country's total export earnings.

76. **Agriculture and rural economy are intertwined:** There is strong evidence that rural sectors are interdependent and rural economic growth is closely linked with agricultural growth. Agricultural growth contributions remain important to raise the incomes of small farmers and to generate growth linkages by increasing demand for nonfarm services and goods, and a vibrant nonfarm sector can increase demand for agricultural products. Pakistan's rural nonfarm economy plays a significant role in generating output and employment through a wide and diversified range of enterprises and services. Various estimates indicate that nonfarm incomes contributed between 40 and 57 percent to the total rural household income, and subsistence level farmers supplement between 36 percent and 51 percent of their household income from nonfarm rural sources.
77. **Farming Systems are evolving with changes in farm size and cropping pattern:** Pakistan has seen major change in the scale of its farm system in recent decades, with a massive rise in the number of small and very small farms, as well as a fall in the average size of those farms. Characteristically, agriculture in Pakistan is dominated by small farmers. There are about eight million smallholder farms and 90% of the total farms are under 5 hectare and they remain the backbone of Pakistan's economic and social fabric. Among the factors driving the ongoing increase in the number of small farms and the reduction in size of those farms are traditional inheritance practices and the limited supply of off and non farm job opportunities relative to the continuing increase in population. Small farmers typically follow a traditional mixed farming system, mainly crops and livestock with a subsistence approach and mostly sell surpluses just after harvest at farm gate and through the classical intermediary channels that often ensure them with access to credit and inputs. Typically, small farmer household supplement their income through off and non-farm employment.
78. **The role of women and youth is critical in the context of agriculture:** Agriculture employs 39 of the national labour force of which women employment rate is 68% compared to 25% for men. Most agriculture employment is informal on small family-owned farms, where young men and women, work as own account workers, casual workers or unpaid family workers. Since the rural economy is not yet equipped to absorb all workers into the labour market, an estimated more than 50 percent of rural youth women and men are involved in agriculture and livestock, mostly as unpaid family workers. One explanation for the high numbers of unpaid family workers in rural agriculture is the influx of youth into the labour force. The key factors defining the state of fragile labour markets in the agriculture sector are low agricultural income despite a high rate of agricultural employment, a lack of value chain development and crop diversification, and poor linkages to markets for agriculture and livestock.
79. **Pakistan's agriculture is labour intensive with women making essential contributions to the crop and livestock production and rural enterprises.** Women's contribution is particularly large in the case of livestock, where their labour contribution often exceeds 70% of total labour. Despite women labour contribution to productive activities, they have little or no managerial control over agricultural management decisions. Women have limited access and control over productive resources, low awareness of improved technologies and skills for value addition and marketing, and limited access to extension and financial services. Increased farm mechanisation is likely to force young women and men into less lucrative and more physically demanding tasks if they are not equipped with the skills and technology in agriculture and non agriculture sectors.

## Agriculture growth and Development

80. **Performance and potential:** The performance of agriculture sector for the last two decades has fallen short of levels the targeted levels. Low public investments, lack of diversification due to focus on major crops, weak market linkages, impact of climate change, water scarcity, and access to finance limits the exploitation of due potential of the agriculture sector. Over decades, low yields, high post-harvest losses, limited off-farm employment opportunities, and stagnant wages are some of the attributes for slow rural transformation. Yield of crops and livestock are low, particularly for small farmers because of lack of access to technology, markets and knowledge, implying that about 50% of total cultivated land in small farm category is under performing.
81. **Structure and trends:** The agricultural sector is conventionally defined in Pakistan to include four subsectors: Major crops/ food and fibre crops (wheat, cotton, sugarcane, rice and maize) which accounts for 25.6 % in agriculture value addition; Minor crops (pulses, fruits and vegetables and oil seed crops contributes 11.1% value added to the agriculture sector); Livestock contributes 56.3 % value added to the agriculture sector; Fisheries plays an important source of export and accounts for 2.1 % in agriculture value addition. Pakistan's agriculture is characterized by the dominance of five crops i.e., wheat, cotton, rice, maize and sugarcane.
82. And the country has not been able to take advantage of the diversity of climate and land geographies. Yield gap reductions, mostly driven by increases in input use rather than technical change, and annual output targets for a few major crops have been the mainstay of agricultural policy in Pakistan, undermining the potential of the country's agricultural sector in terms of agro-climatic conditions, soil quality, water resource availability, landholding sizes and tenure status, input and output market development, and access to public services and infrastructure. Consequently, it has become a net importer of otherwise locally cultivable crops such as fruits, vegetables, pulses and oilseeds, among others. This also implies that the country spends enormous amounts of foreign exchange to import of edible oil, pulses, and seeds of many agricultural crops.
83. **Agriculture markets and marketing:** Pakistan's agricultural marketing has a complex set of intermediaries between small farmer and retailers. Markets are often dominated by intermediaries with limited active participation of farmers or retailers. Such markets increase the risks and cost for participants, and often operate with an unequal power balance between buyers and sellers. In Pakistan, smallholders in particular, are mostly isolated from markets and are dependent upon local contractors and middlemen to sell their produce. Smallholders are often severely cash constrained and sell rights to their crop well before harvesting, at low prices in return for financial services and inputs by intermediaries. This market isolation also reduces the flow of market information to smallholders and thus their ability to adjust to changes in market conditions.
84. **Governance and public service delivery:** The agriculture and livestock related institutions include a federal ministry of National Food Security and Research (MNFSR) with its attached departments and affiliated Pakistan Agriculture Research Council (PARC) and National Agricultural Research Centre (NARC). Post 18<sup>th</sup> Amendment to the Constitution of Pakistan, agriculture and livestock functions have been devolved to the provinces where dedicated departments and their sub-provincial formations provide extension and research services. The agricultural universities and institutes provide academic function. The extension system is largely supply driven and focused on major crops and predominantly aiming at progressive farmers. Additionally, the extension services follow a traditional productivity enhancement approach and its staff are neither focused nor trained to enable farmers to engage in diversification of crops and facilitate linkages with

private sector and markets. Effective linkage of extension services particularly with small farmers and women farmers is limited. A major casualty of this approach are women who has a major role in smallholder farming especially livestock management, are neither empowered nor trained sufficiently to play their roles effectively. The extension services for livestock which is an integral part of the small farmer source of livelihood, is limited to provision of veterinary services rather than production extension, resulting in low productive breeds, poor livestock management and an inefficient production system lacking growth and commercialization.

85. **Climate vulnerability:** Pakistan is ranked among the top ten most climate vulnerable countries in the world and is placed 8<sup>th</sup> on the Long-Term Global Climate Risk Index (GCRI) 2021. Agriculture in Pakistan is significantly affected by short term climate variability and longer-term climate change. Climate change threats are exacerbated in the country due to the arid climate and reliance on water from the glacial melt in the north. Periods of severe droughts, followed by devastating floods are common in the country and have contributed to low crop yields, loss of livestock, damage to irrigation infrastructure and food shortages in recent years. Changes in climate have been manifested through long-term reduction in rainfall in the semi-arid regions of the country and higher glacial melts that contribute to over 70% of river flows. Temperatures are also expected to increase more in winter than in summer in Pakistan. Changes in monsoons and increased temperatures are likely to bring considerable challenges to agriculture. Increases in temperature will likely speed up crop growth cycles and shorten the time between sowing and harvesting, affecting crop yields. Despite extensive irrigation infrastructure, gaps in water management infrastructure, such as dams, results in discharge of excess water into the sea, leaving the country in water-stressed situation for the large part of the year.

**Revitalisation of the agriculture Sector:**

86. Agricultural growth in Pakistan throughout most of the last three decades has depended to a large extent on the major crops (wheat, rice, cotton and sugarcane). While productivity increase in major crops is still critical, diversification of crops and livestock sectors together with competitiveness of small farmers is perceived as a prerequisite for sustainable agriculture development for poverty reduction, food security, employment generation and the overall growth and development of the country.
87. The agriculture sector can be transformed from a supply-driven to the demand-oriented to be able to competitive in local and international markets, and in the process, can make value addition, boost export especially of value-added products, substitute imports of high-value commodities, and create employment and income opportunities in rural areas by investing in institutional development of small farmers, crop diversification, promotion of agribusiness through private sector participation and investment and capacity building of farmers and strengthening delivery of economic service.
88. A shift from mainly subsistence farming to commercial, highly diversified production systems shall lead to increased incomes in predominantly small farmers context intensification resulting in increased rural employment, and agribusiness contributing to rural transformation through forward and backward growth linkages in the rural farm and non-farm economy. Historically, demand linkages ensuing from increased agricultural output and incomes have been the most important mechanism for spurring growth in the rural non-agricultural economy. As reported in a study undertaken by World Bank (1994) each 1% increase in per-capita agricultural growth leads to 1.5% increase in per capita growth in non-agricultural growth.

89. The livestock sub-sector (cattle, dairy, sheep, goats, and poultry), which is dominated by small holders, accounts for more than half of agricultural GDP, and is the fastest growing component of the agricultural sector. Because livestock ownership is more equitably spread across rural households than is land ownership or even access to land, productivity, gains in livestock are generally more pro poor than productivity gains of major crops. Traditionally, Women served as the major participant in livestock management and support livelihoods with the provision of multiple products for consumption and sale, the sector particularly has the potential to enhance the incomes and empowerment of women and help them deal with issues of food security, household nutrition and earn additional income.
90. **Organisational and Institutional Development of small farmers a key to competitiveness:** Promotion of competitiveness of smallholders is contingent upon organising small farmers. Development of smallholder farmer organisations is viewed as an integral part of broader strategies for achieving inclusive economic development in Pakistan. Investment in organisation and institutional development enable the small farmers to manage their resources efficiently, improve their access to input and output markets and information and knowledge effectively, and more importantly, resulting in economies of scale and aggregation, often at minimum attract private sector involvement, investment and extension of supply chains.
91. **Youth and gender mainstreaming:** Evidence from IFAD in Pakistan suggests that investment in institutional development/community and framers organisations, integrated value chains/agribusiness in rural areas, improved access to services and resources, improved technologies in crops and livestock, can make agriculture attractive and create sustainable and inclusive farm, off farm and non farm jobs for youth through appropriate technical and managerial skills development and financial services. IFAD approach and experience in Pakistan to incentives enhancing women’s participation in producer and community organizations and capacity building training for women taking account of their cultural and economic constraints, have proven to be an effective and acceptable model for gender mainstreaming.

## SECAP background study

### Introduction

92. Pakistan is a diverse society having several ethnic groups. The country is characterised by low but increasing literacy rates, youth bulge mostly unskilled, gender imbalance in terms of access to socio-economic opportunities, recurring poverty trends and significant disparities between urban-rural areas and among different regions.
93. Pakistan ranked globally among the top 10 countries that have been impacted by climate change owing to its vulnerabilities. The economic losses due to natural hazards from 1999 to 2020 have been estimated at about US\$ 30 billion<sup>11</sup>. The country witnessed 152 extreme weather events from 1999 to 2018<sup>12</sup>. ADB's analysis shows that the socioeconomic costs of environmental degradation are considerable with climate adaptation needs ranging between \$7 billion and \$14 billion per year<sup>13</sup>.
94. The main objective of this background study of the Social Environment and Climate Assessment Procedures (SECAP) is to inform and strategically orient the COSOP on social, environmental and climate change issues. The study is mainly based on the analysis of data, review of reports and government policies and plans for addressing the concerned issues. It has covered all important elements including demographics, poverty, rural and urban divide, food and nutrition security, gender, youth, indigenous people, environment and climate, institutions, frameworks and policies.

### Part 1 - Situational analysis and main challenges

#### Socio-economic situation and underlying causes

95. **Demographics.** The population of Pakistan is 229.5 million<sup>14</sup> which ranks it the sixth most populous country in the world. Majority of the population (64 percent) is living in rural areas while 36 percent reside in urban areas. Male population is higher than that of female (Table 1). Khyber Pakhtunkhwa has highest rural population of 83 percent while more than two third (72 percent) of Baluchistan people are living in rural areas. Punjab has the highest total population of 110 million with 63 percent being rural. More than half of Sindh population is living in urban centres.

Table 1

#### Details of population of Pakistan and its provinces.

Country/Province	Population in millions				
	Total	Urban	Rural	Male	Female
Pakistan	207.77	75.58	132.19	106.45	101.31
Baluchistan	12.34	3.40	8.94	6.48	5.86
Federal Capital Territory	2.01	1.01	0.99	1.06	0.95
Khyber Pakhtunkhwa	35.53	5.87	29.65	18.02	17.50
Punjab	110.01	40.39	69.63	55.96	54.05
Sindh	47.89	24.91	22.98	24.93	22.96
Percent of total population		36	64	51	49

<sup>11</sup> Country Risk Profile Pakistan, ADB and WB, 2021.

<sup>12</sup> [https://www.finance.gov.pk/survey/chapter\\_20/16\\_Climate\\_Change.pdf](https://www.finance.gov.pk/survey/chapter_20/16_Climate_Change.pdf).

<sup>13</sup> ADB 2017. Climate Profile of Pakistan, Manila.

<sup>14</sup> <https://www.unfpa.org/data/world-population/PK>.

96. **Literacy rate.** Table 2 gives the literacy rate for 10 years and above education for the country and the provinces<sup>15</sup>. The overall literacy rate is 60 percent with male and female divide of 70 and 50 percent, respectively. The literacy rate is higher in urban areas (74 percent) than in rural areas (52 percent). Province-wise analysis suggests that Punjab has the highest literacy rate with 64 percent followed by Sindh with 58 percent, Khyber Pakhtunkhwa (including Merged Areas) with 53 percent, and Baluchistan with 46 percent. Rural and female rates are much lower than urban and male rates. Only 39 percent rural females are literate as compared to 64 percent males in Pakistan. In Sindh, rural women literacy is less than half of men while KP and Baluchistan are even worse. KP has 31 percent female with 10 years and above education while Baluchistan has only 22 percent.

Table 2

**Literacy rate (10 years and above), Pakistan and provinces (percent).**

Province/Area	2019-20		
	Male	Female	Total
Pakistan	70	50	60
Rural	64	39	52
Urban	79	67	74
Punjab	72	57	64
Rural	67	48	57
Urban	80	72	76
Sindh	68	47	58
Rural	53	23	39
Urban	79	66	73
Khyber Pakhtunkhwa (Including Merged Areas)	71	35	53
Rural	69	31	50
Urban	80	53	67
Baluchistan	61	29	46
Rural	55	22	40
Urban	76	47	63

97. **Poverty.** Pakistan assesses poverty using cost of basic needs (CBN) and multidimensional poverty index (MPI) approaches. CBN poverty headcount was at 24.3% in 2015-16. The country's MPI is 0.198 with 38.3% of the population ranked as poor while 21.5% of population is in severe multidimensional poverty in 2021<sup>16</sup>. According to the World Bank, poverty measured at the lower middle-income class poverty line of \$3.20 PPP 2011 per day is estimated to have declined from 37.0 percent in FY20 to 34.0 percent in FY21. Rising food and energy inflation is expected to diminish the real purchasing power of households, disproportionately affecting poor and vulnerable households that spend a larger share of their budget on these items<sup>17</sup>. **Food and nutrition.** Pakistan is an agrarian country and is self-sufficient in major staples – ranked at 8th in producing wheat, 10th in rice, 5th in sugarcane and 4th in milk production. Occasional shortages of staples and others like ghee, oil and tea are met through imports. But, only 63.1 percent of the country's households are "food secure", according to the Ministry of Health and UNICEF's National Nutritional Survey 2018. Across the provinces, Punjab, KP and Gilgit-Baltistan are relatively more food secure than Sindh and Baluchistan.

<sup>15</sup> Pakistan Economic Survey: Education. 2020-21, Government of Pakistan.

<sup>16</sup> Charting pathways out of multidimensional poverty: Achieving the SDGs/Global MPI: United Nations Development Programme and Oxford Poverty and Human Development Initiative, 2021.

<sup>17</sup> Pakistan Development Update, April 2022, The World Bank.

Insecurity is most attributed to limited economic access, disruptions in the food chain and poverty, mainly in rural areas<sup>18</sup>.

98. **Gender.** About 64 percent of Pakistan population is rural and 49 percent of it are women. Around 9.1 million women agricultural workers play a substantial role in food production and food security, but they are largely unpaid, suffer from greater time poverty, and are far more vulnerable to exploitation than men. Women's ownership of land, and control over physical assets is minimal: only 2 percentage of women report owning a house or agricultural land as compared to 72 percentage men. Only 55 percentage of women have access to adequate healthcare, and 48.1 per cent of women and girls aged between 15 and 49 years in Pakistan, particularly in rural areas, have no say in decisions regarding their own health care.
99. **Youth.** Pakistan defines "youth" as people between the ages of 15 and 29 (National Youth Policy, 2009) About 64 percent of Pakistan population is below the age of 30 while 29 percent ages between 15 and 29 years which makes it one of the youngest countries in the world and second in south Asia after Afghanistan. Regarding literacy, 29 percent young people are illiterate and only 6 percent have more than 12 years of education. While 39 percent are employed (32 males and 7 females), 57 of 100 youth (16 males and 41 females) are neither working nor seeking jobs, only 4 percent are unemployed and actively looking for work <sup>19</sup>. Provincial level education is not presenting a good picture. Rural female literacy rate (10 years and above) is less than half of urban in Sindh, KP and Baluchistan<sup>20</sup>.
100. While the overall unemployment rate is 6.4 percent, among the population aged between 15-30 it is 8.5 percent. The country need more than a million new jobs to be generated each year to improve labour force participation. Generally, there is a wider gap between the quality and relevance of training offered and the skilled labour force that industry actually needs, in market relevant and demand driven trades.
101. **Indigenous people (IP).** There are many ethnic groups living in different parts of the country with their peculiar cultures, norms and living styles, however, most of them are not considered as indigenous but are referred to as tribes. They include Punjabis, Pashtuns, Sindhis, Seraikis, Muhajirs, Balochis and some small ones from Sindh like Jhabels, Kihals, Mores and Kutas. The tribal fishing people, the pastoral groups of the Middle Indus Valley, the Baloch tribes, fisher folk of coastal areas, tribal people of Sindh, tribal people of Gilgit-Baltistan, tribal people of Chitral Valley (Kalash) and tribal people of Pothohar Region<sup>21</sup> are some of the groups confined to certain areas and valleys with limited exposure to the outside world. The most distinct people of the KP and arguably of Pakistan, are the Kalash, now confined to three small valleys in Chitral.
102. Main problems faced by IP comprise of poverty, landlessness, inadequate livelihood skills and opportunities, threatened culture, environmental degradation, gender inequalities, lack of access to basic government services, lack of sanitation, poor health, low educational levels and illiteracy, lack of infrastructure and lack of participation in decision making processes<sup>12</sup>. Pakistan does not have national policies on indigenous and tribal people and has so far ratified only the ILO Convention 107 on Indigenous and Tribal Populations in 1960.
103. **Marginalised groups.** Pakistan is a plural country characterized by religious, sectarian and ethno-linguistic diversities. It is an overwhelmingly Muslim community which is divided into different groups. Different religious minorities are part of Pakistan's non-Muslim population. According to the 2017 Census, Muslims make up 96.2 percent of Pakistan's population, Hindus 1.6 percent, Christians 1.59

<sup>18</sup> <https://www.sbp.org.pk/reports/quarterly/fy19/Third/Special-Section-2.pdf>.

<sup>19</sup> <http://hdr.undp.org/en/content/unleashing-potential-young-pakistan#>.

<sup>20</sup> Economic Survey of Pakistan 2020-21.

<sup>21</sup> Technical Note on Indigenous People Issues in Pakistan, IFAD, 2012.



percent, Scheduled Castes 0.25 percent, Ahmadis 0.22 percent, and other minorities 0.07 percent. Most Christians live in the Punjab, while Hindus and Scheduled Castes are overwhelmingly located in Sindh<sup>22</sup>.

104. **People with disabilities (PWDs).** According to the Bureau of Statistics of Pakistan, the total number of people with different disabilities is 371,833<sup>23</sup> and two-third of the disabled people live in rural areas but they are currently neglected<sup>24</sup> as there are almost no education, training or employment opportunities for such people in those areas. Pakistan introduced education and employment policies, set up special schools (mostly in urban centres) and quota-based employment system for PWDs, however, these policies have been mostly neglected.
105. Some of the recent initiatives for PWDs include Sehat Sahulat (Health Card) Programme for PWDs and their families in Pakistan in order to ensure their access to health facility from good hospitals. Women have been receiving financial assistance from the government while trainings are also being provided but mostly in cities.
106. **Nutrition.** Pakistan has produced more food than its population consumes but the poorest and most vulnerable cannot afford a sufficient and nutritious diet. Poverty, recurring disasters, and political and economic volatility drive undernutrition and food insecurity in some areas of Pakistan<sup>25</sup>. According to the national nutrition survey 2018, the second highest rate of malnutrition in the region with 18 percent of children under 5 suffer from acute malnutrition, around 40 percent of the children in the same age group are stunted and 29 percent are underweight. All complementary feeding indicators are far below acceptable levels, only one in seven children aged 6–23 months receives a meal with minimum dietary diversity, with at least four different food groups, and around 82% children are deprived of the minimum number of the meals a day<sup>26</sup>.
107. Table 3 shows the urban-rural and male-female distribution of children nutritional status under 5 years of age. More children are stunted, wasted and underweight in rural areas than urban while girls are doing better than boys for all indicators.

Table 3

**Nutritional status of children under 5 years of age with locality and gender divide.**

Indicator	Percentage of children			
	Urban	Rural	Boys	Girls
Stunted	34.8	43.2	40.9	39.4
Wasted	16.2	18.6	18.4	17
Underweight	24	31.6	29.3	28.4
Overweight	9.6	9.4	9.7	9.2

Source: National Nutrition Survey 2018, UNICEF Pakistan.

108. Infant and young child feeding practices are suboptimal with only half of the children aged under 6 months are exclusively breastfed, and only less than one in 20 children (3.6%) receive complementary feeding. Beside high undernutrition rates, overweight (9.5%) is emerging as a serious health hazard among young children, increasing from 5% in 2011 to 9.5% in 2018. Also, micronutrient deficiencies are highly prevalent among children. More than half of Pakistani children (53.7%) are anaemic. The proportion of children who are exclusively

<sup>22</sup> Population by religion: <https://www.pbs.gov.pk/sites/default/files/tables/POPULATION%20BY%20RELIGION.pdf>.

<sup>23</sup> [https://www.pbs.gov.pk/sites/default/files/disability/disability\\_data\\_28252021.pdf](https://www.pbs.gov.pk/sites/default/files/disability/disability_data_28252021.pdf).

<sup>24</sup> Government of Pakistan Ministry of Social Welfare and Special Education National Plan of Action 2006 to implement the National Policy for Persons with Disabilities.

<sup>25</sup> USAID Pakistan, Food Assistance Fact Sheet, April 2020.

<sup>26</sup> World Food Program, Pakistan.

breastfed for the first six months of life is highest in KP (60.7 percent) and lowest in AJK (42.1 percent) and Baluchistan (43.9 percent) respectively.

## **Environment and climate context, trends and implications**

### **Natural resources**

109. **Land.** The total land area of Pakistan is about 796,096 square kilometres (196.7 m ac) with a highly varied landscape of mountains, deserts and the vast, irrigated Indus River Valley<sup>27</sup> (USAID Pakistan website). Agricultural land including irrigated, rain fed and rodkohi (spat) agriculture is about 20 percent (excluding fallow 10 percent). Rangelands covered over 27 percent areas, while rock outcrops occupied another quarter of the country. The snow/glacier coverage is about 2 percent, deserts are about 10 percent and other uses (built up area, waterlogged and saline land and water bodies together accounted for a little more than one percent)<sup>28</sup>.
110. There are variations among the provinces. KP and Northern Areas, which are comparatively high altitude hilly regions, have higher rainfall and a higher level of snow and glacier coverage (13 percent), as compared to none in other provinces. KP also has higher forest coverage of about 17 percent against 4 Percent in Punjab, 1.5 percent in Baluchistan and some 6 percent in Sindh. Baluchistan has comparatively larger grazing area; besides rangeland providing forage for livestock. On the contrary, in Punjab (about half the area of the Province) and Sindh (about a third area of the Province) is agricultural land is predominant, primarily because of extensive system of canal irrigation which has developed through history and seen large expansion during British and post-independence period.
111. It is estimated that Pakistan has about 56.7 million goats, 26.3 million buffaloes, 24.2 million cattle, 24.9 million sheep, and 0.8 million camels. All these animals produced about 29.4 72 million tons of milk, ranking the country the world's fourth largest producer of milk (USAID Pakistan, 2018).
112. **Forests.** Forests cover approximately 4% of the total land area and serve as main source of paper, lumber, food, firewood, medicine, latex as well as serving as places of conservation for wildlife and ecotourism. Different types of forest spread out across Pakistan include the coniferous forests which are found in regions of altitude between 3,200 feet and 13,100 feet above sea level and subtropical dry forests which are found in areas of altitude of up to 3,200 feet above sea level. Other forests in the country include the tropical rainforests, the riverain forests, and the mangrove wetland forests. The country has 1.29 million hectares of state-owned forest and about 3.1 million hectares of private and communally owned forest. The country's forests are mostly located in KP province and Punjab. The primary forest type is coniferous (fir and spruce) and scrub forest, followed by juniper, chilghoza (native pine), riverine and mangrove forests.
113. **Water resources.** Majority of the country's available water comes from precipitation (rainfall and snowmelt) through the Indus River and its tributaries which has been distributed throughout the country through a contiguous irrigation system. Mean annual rainfall falls within a range of less than 100 millimetres to more than 1,500 millimetres in the mountains. Nearly 81 percent of river flow and 65 percent of precipitation take place during the three months of the monsoon. Pakistan is dependent on a single river, the Indus and its tributaries, for its surface water.
114. **Groundwater.** The Indus basin groundwater aquifer in Pakistan holds in storage at least eighty times the volume of fresh water held in the country's three biggest

<sup>27</sup> [https://wedocs.unep.org/bitstream/handle/20.500.11822/9393/-Land\\_Use\\_Atlas\\_of\\_Pakistan-2009Pakistan\\_LandUseAtlas\\_2009.pdf?sequence=3&isAllowed](https://wedocs.unep.org/bitstream/handle/20.500.11822/9393/-Land_Use_Atlas_of_Pakistan-2009Pakistan_LandUseAtlas_2009.pdf?sequence=3&isAllowed).

<sup>28</sup> Land use Atlas of Pakistan, National Land Use Plan, Ministry of Environment, GoP, 2009.

- dams<sup>29</sup>. Groundwater supplies 90 percent of domestic water in rural areas of Pakistan, 70 percent of domestic water nationally, and over 50 percent of agricultural water. It plays a pivotal role in mitigating the impacts of increasingly variable canal water supply and rainfall. Currently, 1.2 million private tube wells are working in the country, out of which 85% are in Punjab, 6.4% are in Sindh, 3.8% are in Khyber-Pakhtunkhwa, and 4.8% are in Baluchistan. The access to groundwater has helped farmers in securing food for the increasing population. However, unchecked groundwater exploitation is causing rapidly falling groundwater levels and soil salinization in some cases<sup>30</sup>.
115. The country, both at national as well as provincial levels, has recently introduced different laws and regulations for the sustainable use and management of groundwater resources, but the success has so far been limited. Besides poor implementation of law, unavailability of needed data and information, lack of political will and institutional arrangements are the primary reasons for poor groundwater management. An integrated water resource management approach that brings together relevant government departments, political leadership, knowledge institutions, and other stakeholders could be an attractive option.
  116. Though, implementation of recent policies and laws has been limited; the development of groundwater management plans has been lingering on but, improved monitoring together with increasing awareness level are expected to help improved management of groundwater.
  117. **Biodiversity**<sup>31</sup>: With diverse land use and land scape, Pakistan is rich in Biodiversity. Riverine forests along rivers, mangrove forests in the Indus delta and the coast, corals are found Baluchistan coast. Variations in topography, land cover and climate has bestowed Pakistan with rich biodiversity and many ecosystems, habitats and species. The deserts, lakes and forests are home to different types of wildlife, shrubs, forests and aqua life. Pakistan has 195 mammal species (6 being endemic), 668 bird species (25 being endangered), 177 reptile species (13 being endemic), 22 amphibians (9 being endemic), 198 freshwater fishes (29 being endemic) and 5,000 species of invertebrates, as well as 5,700 species of flowering plants (over 400 being endemic). Pakistan has two breeds of buffalo, eight of cattle, one yak, 25 goats, 28 sheep, one horse, four camels and three poultry breeds.
  118. However, this biological diversity is now declining due to human activities and the degradation of natural habitats. In the upland coniferous forests, for example, a systematic study of the Siran area in the Hazara Division, revealed a 52% decline in forest resources between 1967 and 1992. Similar trends have been observed in some other forest areas of the country, to the extent that it is now feared that Pakistan is experiencing the world's second highest rate of deforestation. In particular, the mangrove forests of the Indus Delta, which constitute the largest arid zone mangrove forests in the world, are now quickly disappearing. In the last 20 years, mangrove cover has been halved from 2,600 square kilometres in the late 1970s to 1,300 square kilometres in the mid-1990s. This destruction is leading to the wholesale disappearance of trees, shrubs and ground flora, together with the vertebrate and invertebrate fauna they normally support.
  119. According to Pakistan's third national report, 20 mammal species, 25 bird species, 6 types of reptiles, 5 types of fish and 8 marine mollusks are presently threatened, but these figures are likely to be underestimated due to lack of data and financial capacity to conduct research. Pakistan's fish- and fishery-related sector engages one percent of Pakistan's population and generates one percent of Pakistan's GDP

<sup>29</sup> Groundwater in Pakistan's Indus Basin: Present and Future Prospects. World Bank 2021.

<sup>30</sup> A.S. Qureshi, Groundwater Governance in Pakistan; From Colossal Development to Neglected Management. International Center for Biosaline Agriculture (ICBA), P.O. Box, 14660 Dubai, UAE.

<sup>31</sup> <https://www.cbd.int/countries/profile/?country=pk>.

earnings through the export of fishery products overseas. During the July 2003 to March 2004 period, 101,256 million tons (valued at 7.9 billion rupees) of fish and fishery products were exported to Japan, USA, United Kingdom, Germany, Middle East, Sri Lanka, China, etc. In particular, the total landings for small pelagic, large pelagics, demersal fish and shellfish in 2003 accounted for 566,203 million tons.

### **Agro ecological zones.**

120. The total area of Pakistan is 79.6 mha where total crop area (net area sown and area sown more than once) is 30% of total area and out of that 80 percent is irrigated. Pakistan has a very diverse climate ranging from temperate sub-humid to humid climate with temperature mean minimum 4°C during December and January to maximum of 38°C during June and July. It has been classified into the following 10 agro ecological zones on the basis of climate, land and water use:

- **Indus delta** comprises of Thatta, Badin and Hyderabad where annual rainfall is 125 to 250 mm and soil is clay and silt. The main crops are sugarcane, rice and pulses.
- **Southern irrigation plain** comprises of Sanghar, Dadu, Kahirpur, Larkana, Nawabshah, Jaccobabad, Sukar, Shikarpur, Sibi and Rahim Yar khan districts. Annual rainfall is 125 to 250 mm, soil is silt loam and silty clay while main crops are rice and wheat.
- **Sandy desert** includes the districts of Bahawalnagar, Rahim Yar Khan, Tharparkar, Sanghar, Muzaffargarh, Nawabshah, Mianwali and Sargodha. Annual rainfall is 125 to 250 mm, soils are loam and sandy loam and main crops are wheat, castor, millet and guar.
- **Northern irrigation plain** includes Bahawalnagar, Rahim Yar Khan, Multan, Vehari, Sahiwal, Lahore, Faisalabad, Jhang, Chiniot, Gujranwala, Sargodha, Gujrat, Peshawar and Mardan districts. Rainfall ranges from 125mm to 500 mm, soils loam, loam-clay and sandy and important crops are cotton, sugarcane, maize, and wheat, barseem.
- **Barani lands** comprise of Bannu, Karak, DI Khan, Lakki Marwat, Mianwali, Attock, Rawalpindi, Jehlum, Gujrat, Sialkot, Mandi Bahaud-din, Islamabad, Bhakkar, Chakwal, and Narowal districts with an annual rainfall ranges from 1000mm in north-East and 2000 mm in South-West with different type of soils. Main crops are maize, wheat millet, sorghum, gram and lentils. Livestock is a key activity in most Barani Areas.
- Wet mountains include the districts of Rawalpindi, Abbottabad, and Mansehra. Annual rainfall is 1000-3000 mm, soils are silty clay and clay loam. Main crops are maize, wheat and rice.
- **Northern dry mountains** include Chitral, Dir, Swat, Malakand, Mohmand, Khyber and Tribble areas of Peshawar and Kohat. Annual rainfall is ranges between 300-1000 mm, soils are deep and clayey. Important crops are maize, wheat, and fodders.
- **Western dry mountains** consist of Kohat, Bannu, North and South Waziristan, Zhob, Loralai, Kalat, Sibi, Quetta and Karachi districts. Annual rainfall ranges from 125mm southwest to 500 mm in North. Soil type is deep and loam. Main crops are wheat, maize and fodders.
- **Dry western plateau**, It comprises of Karachi, Dadu, Mekran, Kharan, Chagai and Lasbela districts. Annual rainfall 150-200mm, soils are calcareous silt loam. Important crops are wheat, millet, maize, and sorghum
- **Sulaiman piedmont includes** D.I Khan, D.G khan and Karachi districts. The annual rain fall is 125 to 250 mm) and main crops are wheat, millet and gram.

Sr. no.	Name of the zone	Geographical coverage	Soil types	Major crops
1.	Indus delta	Thatta, Badin	Clayey and Silty	Rice, Pulses, Sugarcane, Berseem, Banana
2.	Southern Irrigated Plains	Hyderabad, Sanghar, Dadu, Khairpur, Larkana, Sukkur, R.Y. Khan, Shikarpur, Jacobabad	Calcareous, Loamy, Silty, Clayey and Sandy	Cotton, Wheat, Rice, Sugarcane, Mustard, Sorghum, Berseem
3.	Sandy Desert (a)	Tharparkar, Nawabshah, Bahawalpur, Nodero Feroz, Mirpur Khas, Cholistan	Sandy, Clayey and Loamy	Guar, Millet, Wheat, Castor
4.	Sandy Desert (b)	Muzaffargarh, Layyah, Sargodha, Khushab	Calcareous, Sandy, Loamy	Gram, Wheat, Cotton, Guar, Sugarcane, Millet
5.	Northern Irrigated Plains (a)	Bahawalnagar, Multan, Khanewal,, Lodhran, Vehari, Sahiwal, Pakpattan, Okara, Lahore, Kasur, T.T. Singh, Faisalabad, Jhang, Sheikhpura, Gujranwala, Hafizabad	Sandy, Clayey, Calcareous, Siltloam	Wheat, Cotton, Millet, Sugarcane, Maize, Berseem, Citrus, Mango, Melons, Oilseeds
6.	Northern Irrigated Plains (b)	Peshawar, Mardan, Charsadda, Nowshehra, Swabi	Clayey, Moderately Calcareous	Sugarcane, Maize, Gram, Tobacco, Wheat, Millet, Berseem, Groundnut, Sugar beet, Pears, Plum
7.	Barani Lands	Bannu, Mianwali, Attock, Rawalpindi, Jehlum, Gujrat, Sialkot, Mandi Bahaud-din, Lakki Marwat, Islamabad, Bhakkar, Chakwal, Narowal	Silt loam, Silty clay loam, Clay loam	Wheat, Millet, Maize, Rice, Oilseeds, Pulses, Fodder crops
8.	Wet Mountains	Abbotabad, Hazar, Mansehra, Kohistan, Haripur, Battagram	Silt loam, Silty clays	Maize, Rice, Wheat, Apples
9.	Northern Dry Mountains	Chitral, Dir, Swat, Malakand, FATA, Bunair	Clayey, nonCalcareous and acidic (above 2100 altitude) Calcareous at lower altitude	Maize, Wheat, Rice
10.	Western Dry Mountains	Kohat, Karak, Tank, Zhob, Loralai, Kalat, Sibbi, Quetta, Kachhi, Pishin, Killa Abdullah, Nasirabad, Kohlu, Bolan, Tamboo, Jafarabad, Jhal Magsi, Musakhail, Burkhan, Ziarat, Kila Saifullah, Dera Bugti, Mastung	Calcareous loamy	Wheat, Maize, Apples, Peaches, Plums, Apricots, Grapes
11.	Dry Western Plateau	Kharan, Awaran, Chagai, Lasbella, Karachi, Mekran, Turbat, Khuzdar, Gwadar, Panjgoor	Strongly Calcareous, Silt loams	Wheat, Sorghum, Millet, Melons
12.	Sulaiman Piedmont	D.I. Khan, D.G. Khan, Rajanpur	Loamy, Clayey, Strongly Calcareous	Wheat, Sorghum, Millet, Gram, Mustard, Rice

Source: OASIS Country Report 3, Review of Available Knowledge on Land Degradation in Pakistan, March 2012, ICARDA and Government of Pakistan

## Climate change

121. Pakistan has been ranked globally in the top ten countries most affected by climate change in the past 20 years owing to its geographical location. The annual mean temperature has increased by roughly 0.5°C during the last 50 years. The number of heat wave days per year has increased nearly fivefold in the last 30 years. Annual precipitation has historically shown high variability but has slightly increased in the last 50 years. Sea level along the Karachi coast has risen approximately 10 centimetres in the last century<sup>32</sup>. By the end of this century, the annual mean temperature in Pakistan is expected to rise by 3°C to 5°C for a central global emissions scenario, while higher global emissions may yield a rise of 4°C to 6°C. Average annual rainfall is not expected to have a significant long-term trend but is expected to exhibit large inter-annual variability. Sea level is expected to rise by a further 60 centimetres by the end of the century and will most likely affect the low-lying coastal areas south of Karachi toward Keti Bander and the Indus River delta<sup>33</sup>.
122. The economic losses due to natural hazards from 1999 to 2020 have been estimated at about US\$ 30 billion<sup>34</sup> and witnessed 152 extreme weather events from 1999 to 2018<sup>35</sup>. The ADB analysis shows that the socioeconomic costs of environmental degradation are considerable with climate adaptation needs ranging between \$7 billion and \$14 billion per year<sup>36</sup>.
123. Pakistan is expected to experience significant impacts on its hydrology and agriculture. Due to change in the pattern and intensity of precipitation and variations melting of glaciers, river flows variability will increase, demand for irrigation water may increase due to higher evaporation rates while yields of wheat and basmati rice are expected to decline and may drive production northward, subject to water availability. Water availability for hydropower generation may decline. Frequency of floods and droughts will also depend upon variation in weather. Other important challenges include water pollution particularly from raw sewage, industrial wastes and agricultural chemicals, desertification, soil erosion and deforestation<sup>37</sup>.

## Part 2 - Institutions and legal framework

### Institutions

124. Climate Change Ministry and EPA: The Climate Change Ministry has been established in April 2012. The Ministry has three attached organizations:
- i) Pakistan Environmental Protection Agency (Pak EPA)
  - ii) Zoological Survey Department, and
  - iii) Global Change Impact Studies Center (GCISC)
125. The environment wing of the ministry is responsible for the Multilateral Environmental Agreements (MEAs) including the United Nation Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol. The Ministry of Climate Change has prepared Framework for implementation of Climate Change Policy (2013), which provides priority based adaptation and mitigation measures in Pakistan to cope with adverse impacts of climate change and to control and reduce Green House Gases (GHG) emissions during 2014-2030.
126. Ministry of Food Security at the federal level, Departments of Agriculture and Forest at the provincial level are responsible for food security. Ministry of Poverty

<sup>32</sup> Climate Change Profile of Pakistan 2017, Asian Development Bank.

<sup>33</sup> Climate Change Profile of Pakistan 2017, Asian Development Bank.

<sup>34</sup> Country Risk Profile Pakistan, ADB and WB, 2021.

<sup>35</sup> [https://www.finance.gov.pk/survey/chapter\\_20/16\\_Climate\\_Change.pdf](https://www.finance.gov.pk/survey/chapter_20/16_Climate_Change.pdf).

<sup>36</sup> [https://www.finance.gov.pk/survey/chapter\\_20/16\\_Climate\\_Change.pdf](https://www.finance.gov.pk/survey/chapter_20/16_Climate_Change.pdf).

<sup>37</sup> <https://www.worldatlas.com/articles/what-are-the-major-natural-resources-of-pakistan.html>.

Alleviation and Social Safety (PASS) administers different programs for poverty alleviation in the country.

127. National and Provincial Disaster Risk Management Authorities. The role of these authorities is to coordinate and take measure for mitigation and adaptation regarding the impact of climate change, improve preparedness and management of natural disasters—floods, droughts, earthquakes, cyclones etc.
128. Provincial Environmental Protection Agencies (EPAs). All the four governments have established EPAs which are responsible for the protection, conservation, rehabilitation and improvement of environment, for the prevention and control of pollution, and promotion of sustainable development.
129. Other government organizations involved in water management, flood and drought control are Ministry of Water Resources, Federal Flood Commission (FFC), Indus River System Authority (IRSA), Water and Power Development Authority (WAPDA), the Provincial Irrigation/Water Management Departments and Water and Sanitation Authorities (WASA) in provinces.
130. Key government public institutions like Pakistan Agriculture Research Council (PARC) and its subsidiaries, Pakistan Council of Research on Water Resources (PCRWR), Pakistan Meteorological Department (PMD) are involved in climate and environmental research. Important non-governmental organizations include World Wide Fund for Nature (WWF), International Union for Conservation of Nature (IUCN), UNO, Himalayan Wildlife Foundation, Sustainable Development Policy Institute (SDPI) and many public and private universities.
131. The Pakistan Poverty Alleviation Fund (PPAF), National Rural Support Program (NRSP) and Provincial Rural Support Program (RSPs) make good partners for poverty alleviation and rural development. A number of international non-governmental organisations are also actively supporting communities in resilience and relief activities as and when need arise.

### **Policies and Legal Frameworks**

132. The following Acts and laws have been enacted and policies formulated at the country and provincial level for the protection of climate and environment, poverty alleviation, food security, gender and youth development.
  - Climate Change Policy 2012
  - Climate Change Act 2017
  - Framework for Implementation of Climate Change Policy (2014-2030)
  - National Environment Policy 2005
  - National Agriculture Policy and Provincial Agriculture Policies of Punjab (2018), KP- A Ten Year Perspective 2015-25, Sindh Agriculture Policy (2018-30) and Baluchistan.
  - National Water Policy 2018 and Punjab Water Policy 2018. KP Water Act 2020, KP Drinking Water Policy, Sindh Drinking Water Policy 2017.
  - National Forest Policy 2017
  - National Youth Policy 2008, KP Youth Policy 2016, Punjab Youth Policy 2012, Sindh Youth Policy 2018,
  - National Biodiversity Strategy and Action Plan 2015. KP Wildlife and Biodiversity Act 2015, Sindh Wildlife and Protected Areas Act 2010.
  - Biodiversity Action Plan of Pakistan - 2000, KP Biodiversity Act 2015.
  - National Action Program to Combat Desertification 2017
  - Poverty Reduction Strategy and program like Ehsaass, Kamyab Jawan Program and Benazir Income Support Program
  - Protection for Women (Criminal Law Amendment) Act, 2006



- The Protection Against Harassment of Women at the Workplace Act, 2010
  - The Prevention of Anti Women Practices - Criminal Law (Third Amendment) Act, 2011
  - Domestic Violence (Prevention and Protection) Act, 2012
  - Criminal Law (Second Amendment) Act, 2011 specifically deal with the offence of hurt being caused by *acid* a crime which women are the most common victim of.
  - The Acid Control and Acid Crime Prevention Act, 2011
  - Prevention of Anti-Women Practices Act, 2011
  - Criminal Law (Amendment) (Offense of Rape) Act 2016
  - Criminal Law (Amendment) (Offences in the name or pretext of Honour) Act, 2016
  - Prevention of Electronic Crimes Act, 2016
  - Hindu Marriage Act, 2017
133. **Policy initiatives.** The National Action Plan (NAP) has prioritized three environmental areas for priority actions: Nature-based Solutions (NbS), Land Use Change & Forestry, and Community Infrastructure<sup>38</sup>. The proposed interventions will enhance the adaptive capacity and resilience while giving several socio-economic, health and mitigation co-benefits. Some of the adaptation measures under the three priority areas include the following.
134. **A. Nature-based solutions.** Eco-system Restoration Initiative (2019-2030), Protected Areas Initiative (2020-23), Miyawaki Forests, Recharge Pakistan, Ten Billion Tree Tsunami and Transforming the Indus Basin with Climate Resilient Agriculture and Water Management (2019-2026).
135. **B. Land Use Change and Forestry.** Some of the measures are Sustainable Land Management Project, Sustainable Forest Management Project, National Biodiversity Strategy and Action Plan, REDD+ Indus delta (2019-2030 Delta Blue Carbon Phase I and Restoring mangrove forests (1990-ongoing).
136. **C. Community Infrastructure,** The adaptation measures include Glacial Lake Outburst Flood II (2017-2022), Pakistan Snow Leopard and Ecosystem Protection Program (PSLEP, 2018-2023), Pakistan Hydromet & Climate services project (2018-24) and a few others.
137. **Climate Financing.** Pakistan is highly vulnerable to climate change and has undertaken several initiatives to mitigate the impacts. The financial needs for decarbonizing the economy are quite high. But, the country has been receiving limited international climate financing and will increase this access deliver the NDC. It has received one project from Adaptation Fund, three from Green Climate Fund (GCF), and completed 15 projects (approved 19) from Global Environment Fund (GEF). Pakistan has thus far not accessed Climate Investment Funds (CIFs), major bilateral climate funds, or facilities—except for one project from Nationally Appropriate Mitigation Actions (NAMAs).
138. Pakistan has identified market and non-market-based approaches to help diversify the funding sources, including Nature Performance Bonds, Green/Blue Bonds, Carbon Pricing Instruments, etc. Pakistan encourages the private sector to play a crucial role in implementing its climate ambition across sectors and the development of NbS that address its mitigation and adaptation potential.
139. **International Conventions/Treaties/Protocols** (ICTPs) in the Field of Environment to which Pakistan is a Party include: Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC), Convention on Biological Diversity (CBD), Framework Convention on Climate Change (FCCC), Vienna Convention for the Protection of Ozone Layer, Convention on International

<sup>38</sup> Nationally Determined Contributions 2021, Government of Pakistan.



Trade In Endangered Species of Wild Fauna and Flora (CITES), Ramsar Convention: Convention on Wetlands of International Importance Especially as Waterfowl Habitats 1982, United Nations Convention on the Law of the Sea, International Convention for the Prevention of Pollution from ships, Convention of Protection of Marine Life.

140. **International Agreements.** Pakistan ratified the Kyoto Protocol (KP) in 2004 and the Paris Agreement in 2016, both containing mandatory goals for the signatories.

#### **Programmes and partnerships**

141. Under the Nationally Determined Contributions (NDC) targets, Pakistan aims to shift to 60 percent renewable energy and 30 percent electric vehicles by 2030 and ban coal imports as well as expand nature-based solutions. The updated NDC has also added new sectors and new gases for enhanced contributions. The revised NDC envisages a broader approach to adaptation, addressing adaptation needs in several sectors such as agriculture, biodiversity and ecosystem, disaster risk management, forestry, health, waste and water<sup>39</sup>.
142. Pakistan is adapting several measures for mitigating climate change impacts by promoting smart input and management practices in agriculture and livestock sector. The famous one billion and 10 billion tree tsunami and measures like improved irrigation and water management practices, climate resilient agriculture and agroforestry to be implemented by the federal and provincial departments.
143. Pakistan is collaborating with several development partners in the field of Agriculture, Climate Change and Environment, Education and Health, Poverty reduction and Gender. Major development partners in Pakistan are the WB, ADB, IFAD, UN agencies, AAIB, JICA, USAID, UK Aid (FCDO) and Australian Government (DFAT). Main federal level ministries dealing with poverty reduction and agriculture and rural development are The Ministry of Economic Affairs, Ministry of Planning, Development and Special Initiatives, Ministry of Poverty Alleviation and Social Safety and Ministry of National Food Security & Research (MNFSR) and its affiliates like , National Agricultural Research Centre (NARC), National Disaster Management Authority (NDMA), Pakistan Agricultural Research Centre (PARC) and Pakistan Space and Upper Atmosphere Research Commission (SUPARCO). The key provincial departments include the Planning and development Departments and Departments of Agriculture, Food, Livestock, Fisheries, Forestry, Local Government and Rural Development, Social Welfare, Irrigation and Public health.
144. **The United Nations agencies** integrate their programmes under the United Nations sustainable development framework (UNSDF) which advances the 2030 Agenda with 5 priority outcomes chosen through extensive national consultations: Basic social services; Gender equality and women empowerment; Climate change and the environment; Sustainable inclusive economic growth and decent work; and Governance.
145. **FAO** is working with the government in key priority like Zero Hunger: Healthy, Safe and Nutritious Food for All, Climate Smart Resilient Agriculture and Sustainable Ecosystems including Forests, Fisheries, Livestock, Rangeland and Water Management, Inclusive and Efficient Agriculture and Food Systems<sup>40</sup>. Funding for projects under these programs is coming from sources like JICA, DFID, USAID and Australian Government (DFAT). Partners in these programs are Ministry of National Food Security & Research (MNFSR), National Agricultural Research Centre (NARC), National Disaster Management Authority (NDMA), Pakistan Agricultural Research Centre (PARC) and Pakistan Space and Upper Atmosphere Research Commission (SUPARCO).

<sup>39</sup> Pakistan National Determined Contributions 2021, Government of Pakistan.

<sup>40</sup> <https://www.fao.org/pakistan/programmes-and-projects/programmes/en/>.

146. **WFP** in Pakistan focuses on activities that contribute to lifting the people most in need out of poverty and food insecurity, providing the building blocks for realizing gender equality, and improving the nutrition outcomes of the current generation in order to exponentially reduce malnutrition in future generations. It provides the foundation for sustainable and inclusive growth, reducing gender and demographic gaps. WFP aims to put in place fundamental systems and structures for accelerate progress towards SDG 2, along with experience and expertise to share with other countries through South–South cooperation. WFP receive support from different international funding partners like governments of [United States](#), [Canada](#), [Japan](#), [United Kingdom](#), [European Union](#), [Pakistan](#), [Denmark](#), [Sweden](#), [Netherlands](#), [Italy](#), UAE and [Saudi Arabia](#).
147. **UNDP** is working on different programs including climate change, adaptation and mitigation-II, youth empowerment, eco-tourism, policy support, merged areas governance project, Strengthening Electoral And Legislative Processes (Increasing the representation of women, youth, and minorities), Snow Leopard and Ecosystem Protection Program, Institutional Strengthening Project for the Implementation of Montreal Protocol - Phase IX, and Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan.
148. **The World Bank** in its under preparation Country Partnership Framework 2022-2026 (CPF) which is informed by Systematic Country Diagnostic (SCD)<sup>41</sup>, proposes (i) promoting equity and inclusion is a key priority to sustain poverty reduction moving forward and to counter the negative impact of the COVID-19 crisis and (ii) unlocking growth in agriculture and its potential for boosting inclusion by catering to the needs of small farmers and women as well as addressing environmental sustainability. Pathways include (i) improving productivity in the agriculture sector (crop diversification, market access, security of tenure, access to credit and ability to adapt to climate change and water scarcity); (ii) strengthening financial inclusion; (iv) supporting women’s socioeconomic empowerment; and (v) improving the efficiency and equity of spending on poverty reduction.
149. **The Asian Development Bank** operations in Pakistan has a strong focus on social protection programme and boosting competitiveness and private sector development. The support for social protection programme includes expansion of safety nets under BISP; human capital development; and provision of jobs and livelihoods. The focus on engaging public and private sectors is to invest in rural infrastructure, strengthen agricultural value chains, improve connectivity, and increase access to finance.
150. **United States Agency for International Development (USAID)** works with the Government of Pakistan in agriculture to boost private sector development, enhance agricultural productivity, and improve trade and the business-enabling environment. It is working on gender equality in the fields of education, health, agriculture, energy and entrepreneurship. Partners include federal and provincial governments and some work through private contractors.
151. **UK Aid/FCDO** is working on Education, Humanitarian, Water Resources, Resilience and Economic Development<sup>42</sup>.
152. **Australia’s Aid Programme/DFAT** is supporting Generating sustainable growth and employment through increased trade and investment, and improvements to agricultural productivity, water resources management and industry and investing in Pakistan's people through health and education where the emphasis is also on women's empowerment, stability and governance in Pakistan<sup>43</sup>.

<sup>41</sup> LEVELING THE PLAYING FIELD, Systematic Country Diagnostic, September 16, 2020, World Bank.

<sup>42</sup> <https://devtracker.fcdo.gov.uk/countries/PK/projects>.

<sup>43</sup> <https://pakistan.embassy.gov.au/islam/cooperation.html>.

153. **Germany** has committed 129 m euros fresh financing to different projects including Digital Governance Pakistan, Social Protection, Promotion of Startups in Pakistan, promotion of Solar Energy, Self-Employment of Women in Private Health Sector, and Development of Hydropower and Renewable Energy<sup>44</sup>. The European Union (EU) provides Pakistan with about €100 million annually in grants in its efforts to tackle poverty, increase education, promote good governance, human rights, rule of law and ensure sustainable management of natural resources. EU-funded projects cover all of Pakistan with a special focus on Sindh and Baluchistan<sup>45</sup>.
154. **The EU** is launching a Multi-Annual Indicative Program (MIP) 2021-27 to support Pakistan in three following priority areas: (I) Green Inclusive Growth; (ii) Human Capital; and (iii) Governance, including the Rule of Law and Human Rights. The MIP covers all the country, however, fragile provinces of Baluchistan and Khyber Pakhtunkhwa, and the territory of Gilgit-Baltistan will be more focused<sup>46</sup>.
155. **JICA** is assisting Pakistan in the development of quality economic infrastructure and support efforts in value-addition and improving quality of its products, while recognizing the potential of women and youth to lead economic growth. JICA investments focus on improvement of productivity in livestock and agri-commodities, product diversification and value addition and strive to mobilize its experiences and technologies in improving disaster preparedness, and enhance the disaster management system in Pakistan, aiming at building resilience against natural disaster.
156. **Grievance redress mechanism.** In Pakistan, the redress mechanism mostly lies at the Federal Ombudsman office that hears all sorts of complaints. Similarly, the Prime Minister Office Citizen Portal also addresses public complaints. The Ministry Climate Change has developed Grievance Redress Mechanism Framework but has not adopted that so far. Many donor funded projects have project level redress mechanism but these have not been institutionalized so far.

### Part 3 - Strategic recommendations

#### Lessons learnt

157. IFAD has been working in Pakistan for a long time now and has always successfully used participatory approach for its programme design and implementation. The involvement of women has always been there, but the extent of their participation has been varying from region to region and project to project due to low female literacy rate and traditional and cultural constraints. Additionally, IFAD has been working with rural poor and in remote areas in many cases where women exposure and economic empowerment are very limited, however, the programme has always played its role to bring them forward to participate and involve in beneficial activities. There has been a lot of change due to various donor funded projects and social media and there are opportunities for designing projects ensuring greater women participation and involvement. Bringing this change in behaviour will require rigorous social mobilization and more resource allocation targeted at women.
158. **Youth engagement.** Projects like SPPAP, NPGP and the new RETP-KP have successfully demonstrated youth involvement for economically productive asset development, skills development and capacity building for landless and ultra-poor. Upscaling the lesson learnt, and experience gained, rural female youth should be the next with increased targets and specifically designed activities and plans suiting local environment and market demand.

<sup>44</sup> <https://ead.gov.pk/NewsDetail/YjEwYmFiNjktMjcxOS00ZGI1LTk3MjktZTg4N2QxMmUyOWM3>.

<sup>45</sup> UNICEF Pakistan, July 2021. <https://www.unicef.org/pakistan/press-releases/eu-unicef-sign-agreement#:~:text=>

<sup>46</sup> [https://ec.europa.eu/international-partnerships/system/files/mip-2021-c2021-8992-pakistan-annex\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/mip-2021-c2021-8992-pakistan-annex_en.pdf).

159. **Nutrition.** The assessment of rural communities in preceding sections showed that children have been suffering from malnutrition and improvement overtime has been slower. IFAD's active involvement in nutrition and food security for children and women is important not only from health point of view but has essential economic value for life including education. Investing in rural children and women better nutrition will have health as well as economic benefits.
160. **Climate smart agriculture.** IFAD has successfully implemented the markets and marketing approach through farmer groups and cooperatives, but the productivity aspect of crops and dairy needs has not received the required focus. Most farmers especially, small holders are still using traditional seeds, methods, practices and equipment resulting in more effort, labour and much lower productivity than potential. Similarly, the climate change impact on agriculture and adaptation to it need to be mainstreamed in the overall approach. Boosting rural agro-economy will require introduction of new seeds, methods and modern technology for small holders to increase their incomes. However, it needs to be adopted at larger scales than demonstrations to encourage replication and participation of interested farmers.
161. **Value chain development** and farmer organizations is a successful approach for improving rural economy, empowering women and actually realize the rural potential.

#### **Strategic orientation.**

162. The government has been implementing the pro-poor BISP throughout the country, which is specially designed for the ultra-poor, orphans, widows, the homeless, the disabled, those who are at risk of health shocks, jobless, poor farmers, laborers, sick, undernourished and students. All provinces and region with more focus on poorer parts are included. Programs like Ehsaas Nashonuma for health and nutrition-centred conditional cash transfer and specialized nutrition food for mothers and children up to 2 years, Ehsaas Interest Free Loans, Ehsaas Kafaaalt for differently abled persons and Sehat Card- a health insurance scheme is part of the overall larger program. Similarly, the respective departments have programs of food security, climate adaptation, gender, for persons with disabilities and youth skills development and vocational trainings.
163. Similarly, UN agencies like UNDP, WFP, FAO, WFP and UNICEF are involved in programs aimed at reducing poverty, empowering women, climate change, environment, climate smart agriculture, nutrition and biodiversity conservation. UNDP is focusing on climate change adaptation and mitigation, youth empowerment, eco-tourism, and policy support, etc. WFP is involved in nutrition, disaster preparedness and social protection while UNICEF is working on WASH, education, nutrition, and health. FAO priority areas are zero hunger, healthy, safe and nutritious food for all and climate smart agriculture, etc.
164. There are a number of programs directly under the government or international partners for poverty alleviation, social safety/protection, nutrition, gender empowerment, youth skill development, interest free loans for youth and poor. There are multiple opportunities with national and international partners where IFAD can strengthen its linkages and partnerships as per objective and goal of the program and project.

#### **Strategic actions and targeting**

165. **Climate smart Agriculture.** Majority of the 63 percent rural populace depends upon agriculture and most of them are small holders. Women and youth are an integral part of agriculture (crops and livestock), but the productivity is very poor due to primitive practices and techniques and are, therefore, unable to get the potential benefits. Working with these communities in agriculture with modern tools, equipment, new climate sensitive crop varieties with high yields and

introduction of high value agriculture can change their fates. Trainings and capacity building with new technology and technologies should be part of the design.

166. **Gender.** NPGP and SPPAP are successfully empowering women through assets, skills development and inclusive value chain development. Scaling up is possible in across the country except where cultural barriers are still hampering progress. It will be possible country wide with a strong social mobilization, capacity building and behaviour change communication.
167. **Nutrition.** Stunting is more pronounced in rural areas than urban. IFAD investment already mainstream nutrition in partnership with government counterparts. A multi-sectoral approach will be required for scaling up nutrition..
168. **Skill development** is already part of the IFAD assistance to Pakistan. Skills development will continue to be part of new designs and plans ensuring employability of the rural youth. A reconnaissance of the rural areas and the markets for skilled workforce will go hands in hand.

#### **Monitoring**

169. The COSOP results framework will be used to monitor the progress of the strategic objectives. For easy monitoring, IFAD programme indicators will be aligned with COSOP indicators for consistency. Annual review of the results framework and indicators will be carried to see the progress and any issues affecting the progress. Detailed midterm review will be conducted to confirm the continued relevance and validity of strategic objectives, assess progress against expected outcomes, identify lessons and make recommendations to improve performance.
170. At the programme level, IFAD will support local and international partners in identifying indicators for monitoring and progress and develop their capacity in terms of M&E and will adhere to the agreed schedules and indicators. Monitoring of both lending and non-lending activities such as policy dialogue and knowledge management will be required and reported.

## Agreement at completion point

### Introduction

171. The Independent Office of Evaluation of IFAD undertook a country strategy and programme evaluation (CSPE) in Pakistan in 2020. The CSPE covers the period 2009-2020. Three key dimensions of the country strategy and programme were assessed in the CSPE: (i) the loan portfolio; (ii) non-lending activities, namely knowledge management, partnership-building and country-level policy engagement; and (iii) performance of IFAD and the Government. Building on the analysis on these three dimensions, the CSPE assessed the relevance and effectiveness at the country strategy and programme level.
172. This agreement at completion point contains recommendations based on the evaluation findings and conclusions presented in the CSPE report, as well as proposed follow-up actions as agreed by IFAD and the Government.

### Recommendations and proposed follow-up actions

173. **Recommendation 1: Integrate a strategy to support inclusive economic development – primarily around natural resources (agriculture, livestock, fisheries, forestry) – with a market systems development lens, while also exploring ways to respond to basic needs.**

This could entail an identification of potential subsectors or thematic foci that are most relevant to the rural poor in different geographical areas or value chains/market systems, also in light of the priorities of counterpart provincial governments and current and planned support by other donors. This should be followed by a diagnostic analysis of constraints and opportunities for strategic programming. The programme should integrate more deliberately the aspects of climate resilience, disaster risk reduction and natural resources management (particularly water use efficiency), with due attention to innovative practices. Where relevant, it would be important that such investment be accompanied by support for addressing basic needs, in the project or through other complementary initiatives.

**Proposed Follow-up:** *IFAD and the Government of Pakistan agree with this recommendation and will integrate this recommendation in the next COSOP 2023-2028<sup>47</sup> by ensuring a coherent pathway to support inclusive economic development, basic needs, access to basic and economic services to its target groups, a greater focus on climate and natural resources, while always keeping in view the need for strategic alignment with priorities at national and provincial levels.*

*Responsible partners: IFAD and Government of Pakistan (national and provincial)*

*Timeline: COSOP 2023-2028 period*

174. **Recommendation 2: Strategize and articulate how IFAD-Government partnerships can generate greater rural poverty impact, with attention to innovations and scaling-up pathways.**

Given the relatively smaller resource envelope compared to many other development agencies, IFAD, in consultation with the Government, should better articulate how it plans to add greater value for a country programme, with a deliberate focus and synergy. Rather than financing the scaling-up of initiatives or repeating the similar approach in consecutive projects, there should be a stronger emphasis on introducing innovations (approaches, practices and technologies) with high-potential impact on inclusive rural economic development, with a strategy to promote scaling-up by the Government and other partners. For this, greater attention should be given to leveraging resources and capacity, through strategic partnerships, for identifying

<sup>47</sup> COSOP period after the CSPE was revised to 2023-2027 to align with PBAS cycles.

opportunities for innovations, designing and piloting innovations, and generating and disseminating knowledge – within the project framework and/or utilizing grants. This will require the significant strengthening of IFAD’s non-lending activities in Pakistan.

**Proposed Follow-up:** *IFAD and the Government of Pakistan agree with this recommendation and will integrate this recommendation in the next COSOP 2023-2028, and in future projects. Effort will go towards exploring additional partnerships, with attention to innovations and scaling up. In line with the recommendation, IFAD county office will showcase innovation to the Government at provincial and national levels as well as to the broader development partners. With respect to the non-lending side, the lessons learned from South-South and Triangular Cooperation will be leveraged for innovative development solutions under the IFAD portfolio as well as disseminated among development partners.*

*Responsible partners: IFAD Country Office, Government of Pakistan, relevant project management units and development partners*

*Timeline: COSOP 2023-2028 period*

175. **Recommendation 3: Place more emphasis on strengthening and linking with institutions, policies and systems for greater likelihoods of sustainability.**

Working with, strengthening and preparing the institutions, policies and systems that will continue to exist after the projects should be given priority. This would also mean more systematic engagement of stakeholders right from the project conceptualization phase for greater ownership and creating sufficient space and budget allocation for their meaningful participation in project implementation, monitoring and evaluation, and oversight. It is imperative that the right entry points (in terms of partner institutions, policy and systems issues to be addressed) be identified at project design stage and complemented by IFAD’s investment in policy engagement. IFAD should also develop a strategy for closer involvement of and stronger oversight by project steering committees.

**Proposed Follow-up:** *IFAD and the Government of Pakistan agree with this recommendation and will integrate this recommendation in the next COSOP 2023-2028 and in future projects. Efforts will go towards strengthening the links between IFAD-funded projects and beneficiary organizations with institutions, policies and systems for greater sustainability. IFAD’s new stakeholder engagement policy will be applied for new designs to ensure greater ownership. Entry points for policy engagement will be identified in new designs. The IFAD Country Office will also explore partnerships with development partners for co/parallel financing and seek complementarities with other development partners.*

*Responsible partners: IFAD, Government of Pakistan (national and provincial), national institutions and development partners*

*Timeline: Immediate and ongoing*

176. **Recommendation 4: Adopt a more flexible and differentiated approach in targeting and programming.**

Selection of geographical areas for interventions could be informed not only by the poverty rate or the number of poor households but also by other factors such as vulnerability, causes of poverty and opportunities for inclusive economic development which IFAD would be well-placed to support. Depending on the nature of interventions, consideration should be given to diversifying the basis for household targeting from strictly relying on the poverty scores, also recognizing the dynamic and transitory nature of poverty. There should be continued attention to inclusiveness of institutions of the targeted population, based on the analysis of social-cultural contexts and power relations, but leaving flexibility for adapting the forms and approaches based on the main purposes and a long-term vision for such institutions and the contexts. Furthermore, in-depth differentiated analysis on the actual/potential roles in value chains and market economy of different categories of

the rural poor (men, women, young men and women, other vulnerable groups) is needed for effective targeting. Where relevant, non-traditional employment/income opportunities for women should be explored.

**Proposed Follow-up:** IFAD and the Government of Pakistan agree with this recommendation and will integrate this recommendation in the next COSOP 2023 – 2028 and subsequent projects. Efforts will go on studying how to adopt a more flexible and differentiated approach in targeting and programming. The targeting approach at a macro as well as micro target group level will be defined and clarified in the COSOP 2023-2028.

*Responsible partners: IFAD, Government of Pakistan (national and provincial)*

*Timeline: COSOP 2023-2028 period formulation*

**177. Recommendation 5: Broaden and strengthen partnerships with other development agency partners and non-governmental actors while upgrading the IFAD country office and its support systems.**

IFAD should seek out opportunities for exchange, coordination and collaboration with other development partners. This could be for: knowledge exchange in areas where IFAD has accumulated experience; collaboration in analytical work and policy engagement; or better capitalizing on the work and lessons from others. IFAD should also explore opportunities to diversify non-governmental partners for different purposes beyond contracting as service providers – for example, to build the capacities of smaller civil society organizations to provide services to the rural poor; or strengthen advocacy role and representation; or for research and technical assistance. These would also require strengthening of the IFAD country office in terms of human resource capacity and/or the technical support systems from its subregional hub or the headquarters.

**Proposed Follow-up:** *IFAD and the Government of Pakistan agree with this recommendation and will integrate this recommendation in the next COSOP 2023-2028. Efforts will go towards exploring the possibility of broadening and strengthening partnerships with other development agency partners and non-governmental actors and at the same time upgrading the IFAD country office and its support systems. As an immediate step to building human resource capacity, an additional national officer is under recruitment to be based in the country office in Islamabad. As soon as the host country agreement is signed, the Country Director will join the office. IFAD will seek to increase integration within the UN Country Team as well as strengthen collaboration and cooperation with the Rome-based agencies.*

*Responsible partners: IFAD Country Office, IFAD headquarters and Government of Pakistan*

*Timeline: immediate*



## COSOP preparation process

178. The COSOP consultation process was shaped by the following key contextual factors, pertaining both to Government and IFAD:
- Because COVID 19 travel restrictions, preparation of COSOP was postponed to 2022 from the originally planned in 2020. Subsequently, the COSOP 2016-2021 was extended by one year.
  - The CSPE which was undertaken in 2020 provided key areas of strategic important to reorient
  - Concurrent preparation of CCR (2016-2021) provided lesson learned
179. The COSOP is a culmination of consultation processes with the key government ministries and agencies involved in the proposed COSOP thematic areas, civil society organizations, and development partners including UN Resident Coordinator, UNCT, WFP, FAO, EU, WB and ADB and key bilateral agencies
180. A COSOP validation workshop lead by the Ministry of Economic Affairs, was held on 30<sup>th</sup> May 2022. The workshop gathered a wide range of stakeholder including representatives of the Government of Pakistan; UN agencies; donors; civil society organisations/Rural Support Programmes; FAD project management staff; and private sector representatives.
181. A dedicated debrief was organised for the representatives of the diplomatic missions in Pakistan of the member countries of the IFAD executive board.
182. **The COSOP Preparation Process:** The COSOP preparation process was kicked off by the county programme management team, led by the Country Director, meeting with the Ministry of Economic Affairs of the Government of Pakistan which is main interlocutor for donors including IFAD at the federal level. Consultations were also held with MOF, PASS, MoNFS&R, and MoPD&SI. The meetings identified a broad framework, priorities, and IFAD support for implementation of government policies and strategies for poverty reduction and agricultural development. The country team also deliberated with the provincial government representatives notably the provincial Planning and Development Departments and identified pipeline projects for the COSOP period.
183. A comprehensive review of literature and programmes implemented by development partners relevant to the mandate was also carried out.
184. The Country Director formulated a team consisting of the following for the preparation of the draft COSOP 2023-2027
- Hubert Boirard, Country Director and Team Leader
  - Mohammad Fida, Country Programme Officer and Co Team Leader
  - Qaim Shah, Consultant, Agriculture and Rural Development and Rural Institutions Specialist
  - Rab, Nawaz, Consultant, Governance and Policy Specialist
  - Mohammad Hakeem Khan, Consultant, Infrastructure and Environment Specialist
  - Arsalan Haneef, Consultant, Financial Management and Procurement Specialist
  - Sumaira, Country Programme Analyst
  - Martina Huonder, Programme Liaison Associate
185. The first draft of COSOP was submitted for in-house review and comments during the first week of May 2022. A review meeting was held with IFAD HQ on 19 May 2022.

186. A revised draft of COSOP reflecting feedback and incorporating recommendations of the review meeting was prepared and shared with key relevant ministries of the government on 23 May 2022.
187. On 30 May, the draft was shared for the Economist Network's review and at the same time, a workshop with the Government of Pakistan was held in Islamabad.
188. Another workshop with the donor community was held in Islamabad on 13<sup>th</sup> June.
189. The OSC meeting took place on 4 July at IFAD HQ and the final President's Report was submitted to SEC on 25 October 2022 for presentation to the EB in December 2022.

## Strategic partnerships

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for CRR and CCR)</i>
<b>Engaging in policy and influencing development agendas</b>	<ul style="list-style-type: none"> <li>Ministry of Economic Affairs</li> <li>Ministry of National Food Security and Research</li> <li>Provincial Agriculture Departments</li> <li>Ministry of Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Effective policies and public investments in agribusiness development and social inclusion - especially for women and youth</li> <li>National and provincial policy reform to promote high value demand driven small holder agriculture -</li> <li>Identification and notification of clusters for promotion of high value agriculture through organized farmers</li> <li>Climate proofing investments</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and ownership of policies and investments</li> <li>Coordinated efforts in building climate change resilience</li> </ul>	
	<ul style="list-style-type: none"> <li>Poverty Alleviation and Social Security Division (PASSD)</li> <li>BISP</li> </ul>	<ul style="list-style-type: none"> <li>IFAD poverty graduation model internalized and replicated by government programmes</li> <li>BISP assisted to develop a tracking system to monitor assistance to BISP beneficiaries from other projects and their graduation out of poverty</li> </ul>	<ul style="list-style-type: none"> <li>PASS Division is the mandated lead agency for social protection and poverty graduation under EHSAAS Programme</li> <li>BISP assisted to improve targeting, inclusion and graduation out of the programme</li> </ul>	
<b>Leveraging Cofinancing</b>	<ul style="list-style-type: none"> <li>Provincial Agriculture Departments</li> <li>Asian Development Bank</li> <li>World Bank</li> <li>Asian Infrastructure Investment Bank (AIIB)</li> <li>Italian Cooperation</li> <li>Saudi Fund for Development</li> </ul>	<ul style="list-style-type: none"> <li>Scaling up of proven approaches in poverty alleviation, agribusiness development</li> <li>Jalalpur Canal Command Area Development</li> <li>Integrating small rural infrastructure (water and sanitation) at household and community level</li> </ul>	<ul style="list-style-type: none"> <li>Synergies and coordinated donor efforts</li> <li>Significantly increased mobilisation of funds</li> <li>Improved monitoring and sharing of data and information</li> </ul>	

<b>Enabling coordinated country-led processes</b>	<ul style="list-style-type: none"> <li>• UNCT</li> <li>• RBAs – FAO and WFP</li> </ul>	<ul style="list-style-type: none"> <li>• UNSDCF (2023-2027) operationalized</li> <li>• Climate smart and resilient agricultural initiatives</li> <li>• Gender mainstreaming, strengthened women’s organizations</li> <li>• Improved social inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced coordination and synergy with government efforts</li> <li>• Improved and coordinated donor efforts</li> <li>• Improved monitoring and sharing of data and information</li> </ul>	
<b>Developing and brokering knowledge and innovation (including SSTC)</b>	<ul style="list-style-type: none"> <li>• Asian Farmers Organization Platform</li> <li>• APFP/FO4A</li> <li>• China</li> <li>• Sri Lanka</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge/ thematic networks built</li> <li>• Good practices and best technologies disseminated</li> <li>• Exchanges for strengthening of women’s (farmer) organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Large regional coverage of the FO programmes capturing wide ranging lessons learned and best technologies/ approaches</li> <li>• Opportunities for cross-exchanges</li> <li>• Strengthened learning culture</li> <li>• Opportunities to pilot innovations for future scaling up</li> </ul>	
<b>Strengthening private sector engagement</b>	<ul style="list-style-type: none"> <li>• Microfinance sector institutions</li> <li>• Exporters</li> <li>• Engaging Meat Processing industry with organized groups of small ruminant beneficiaries in SPPAP</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable agribusiness development financing</li> <li>• Improved market-oriented and commercialised agricultural production</li> </ul>	<ul style="list-style-type: none"> <li>• Private sector is highly attuned and responsive to the market</li> </ul>	
<b>Enhancing visibility</b>	<ul style="list-style-type: none"> <li>• RBAs/ UNCT</li> <li>• Farmer Organisations/ FO4A</li> </ul>	<ul style="list-style-type: none"> <li>• Wide dissemination and communication coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Joint programming and coordinated efforts for higher and more widely recognized visibility</li> <li>• FO network coverage spans millions of farmers a national, regional and global levels</li> </ul>	

## South-South and Triangular Cooperation strategy

### Introduction

190. South-South and Triangular Cooperation (SSTC) is recognized as a key area of work in IFAD's Strategic Framework 2016-2025. SSTC offer opportunities for delivering relevant, targeted and cost-effective development solutions and other resources to beneficiaries and partners across the globe. IFAD has history of sponsoring exchanges between regional countries through Pakistan portfolio involving Sri Lanka, Pakistan, Maldives, Afghanistan and Vietnam to share experiences particularly in participatory development, 4-P partnerships and value chain development approaches.
191. In view of the comparative advantage of IFAD in the core area of its mandate of promoting sustainable and inclusive rural transformation through investments in smallholder agricultural development, there is a scope to pursue South-South and Triangular Cooperation in a strategic manner, and through mainstreaming across country programme.

### Opportunities for rural development investment promotion and technical exchanges

192. Regional and international Cooperation: A good base exists in Pakistan to further build on this cooperation through the SSTC, especially with the availability of IFAD regional grant for promotion of Farmer Organizations. The main focus will be within the South Asian Association for Regional Cooperation region, but also with the Africa and Latin America regions, in the areas of value chain development (China, Nicaragua), cash transfer and poverty graduation (Brazil, Mexico), climate change resilience (Ecuador), or women-and youth-centred rural development and income generation (Cambodia, Peru).
193. Cooperation with China: The agricultural sector of Pakistan is the backbone of the national economy and the Government of Pakistan has been actively seeking to engage for learning from Chinese experience of agricultural development and poverty reduction. Cooperation with China through SSTC can help Pakistan to revitalise the agriculture sector and rural economy for poverty reduction and food security through improved small farmer's incomes. Revitalisation and diversification of agriculture sector on the other hand could also provide opportunities for boosting agriculture commodities export to China.

### SSTC engagement rationale

194. During the COSOP 2016-2022 IFAD supported South-South knowledge-sharing activities with China at the country level, through a corporate-level facility, but implementation suffered due to COVID 19. During COSOP 2023-2088, SSTC will be pursued and strengthened with China for knowledge exchange including agriculture research, production technology and product quality; promote participation and investment of private sector and for joint ventures and trade; facilitating business to business linkage of farmers organisations and prospective investors and traders ; and improving policy environment through capacity building support to policy makers (parliamentarians, federal and provincial level key officials of concerned ministries, representatives of communities/framers organisations etc.)

### Partnerships and initiatives

- Rural technology (training and technology transfer)
- Rural water
- Rural finance
- Rural energy
- Rural roads (market access)

### Nutrition

195. Interactions and exchange with IFAD funded projects: During the COSOP period project and programmes in the region and beyond, will be prioritised/identified for exchange visits of staff, project beneficiaries, community organisations and farmers organisations to augment strategies, approaches and activities.
196. Collaboration under Asian Pacific Farmers' Organisation Programme. Pakistan country team will explore the possibilities of increased collaboration among the national implementing agencies of the FO programme in the Asia Pacific Region and among different FOs depending on their comparative advantage. The possibility of developing a digital platform will be explored to facilitate networking and joint initiatives. This will be further corroborated through exchange visits and joint capacity building activities.
197. Collaboration through IFAD Regional Offices. Under the decentralisation drive of IFAD, cooperation at the regional level on issues pertinent to Pakistan portfolio will be promoted in a manner that each country showcases its best practices for mutual benefit.
198. Imbedding SSTC in Project Designs: A major constraint experienced in pursuit of SSTC activities has been availability of adequate financial resources. Attention will be paid during next COSOP to allocate adequate resources within new project budgets for SSTC related interventions. Possibility will be explored for review of ongoing project budgets to allocate resources for SSTC activities.

### Conclusion

199. The COSOP 2023-2027 offers considerable opportunity to advance its SSTC and is envisaged as a complementary development modality to the overall country programme. The Government of Pakistan is aware of and is keen to learn from global experiences and lessons in cash transfer and poverty graduation approaches and to acquire the good practices and new technologies that other countries have to offer for climate resilient diversification of agriculture sector including crops, livestock and fisheries.
200. The COSOP 2016-2022, supported the South-South knowledge-sharing activities with China, through a corporate-level facility, but implementation suffered due to COVID 19. During the COSOP consultations, the stakeholders, particularly the government in view of successful poverty reduction, the overall transformation of agriculture sector, agribusiness development and growing trade relationships, requested to pursue cooperation with China for sharing experiences and good practices on innovative development policies and solutions for poverty reduction and agriculture and rural development.
201. During COSOP 2023-2027, SSTC will be pursued and strengthened particularly with China, for knowledge exchange including agriculture research, production technology and product quality; transfer of technologies; promote participation and investment of private sector; joint ventures and trade; facilitating business to business linkage of farmers organisations and prospective investors and traders ; and improving policy environment through capacity building support to policy makers (parliamentarians, federal and provincial level key officials of concerned ministries, representatives of communities/framers organisations etc.).

## Country Portfolio Summary

Region	Asia & the Pacific	<b>Member of Country Groups :</b>	
Country	Pakistan	Least Developed country	No
Current Financing Terms	Blend	Low-income, food deficit	No
Ranking all Countries	4	HIPC DI Eligible	No
Ranking within region	4		

Country Indicator	Value	Year	Source
Agriculture, value added (% of GDP)	22.88	2017	World Bank
GNI per capita, Atlas method (current US\$)	1,580.00	2017	World Bank
Human development index (HDI) value	0.56	2017	UNDP
Population, total	197,015,955.00	2017	World Bank
Rural population	125,219,401.00	2017	World Bank

### Key Dates

Last RB-COSOP Approved AVP/PMD	19 Oct 2016
First Project Approved	27 Jun 1979
Last Project Approved	30 Dec 2021

### IFAD Interventions

	Number of Projects	IFAD Approved USD ('000)
Available for Disbursement	4	377,324
Financial Closure	23	452,560
Entry into Force	1	84,192
<b>Total IFAD commitment</b>	<b>28</b>	<b>914,076</b>

### IFAD Interventions Summary

Project Number	Financing Instrument ID	Currency	Approved Amount	Disbursed	Loan/Grant Status	Project Status	Board Approval	Cooperating Institution
1100000018	1000002042	XDR	23,750,000	100%	Closed	Closed	27 Jun 1979	WB
1100000033	1000002209	XDR	12,400,000	37%	Closed	Closed	19 Dec 1979	ADB
1100000048	1000002375	XDR	9,800,000	48%	Closed	Closed	03 Dec 1980	ADB
1100000083	1000002637	XDR	10,500,000	85%	Closed	Closed	17 Dec 1981	WB
1100000138	1000001996	XDR	23,200,000	100%	Closed	Closed	13 Dec 1983	WB
1100000162	1000002023	XDR	8,650,000	100%	Closed	Closed	12 Dec 1984	ADB
1100000209	1000002075	XDR	8,700,000	78%	Fully Repaid	Closed	10 Sep 1987	ADB
1100000234	1000002103	XDR	12,050,000	47%	Fully Repaid	Closed	30 Nov 1988	ADB
1100000257	1000002128	XDR	15,200,000	71%	Fully Repaid	Closed	19 Apr 1990	ADB
1100000265	1000002137	XDR	19,000,000	8%	Fully Repaid	Closed	02 Oct 1990	WB
1100000288	1000002162	XDR	11,900,000	94%	Fully Repaid	Closed	04 Sep 1991	UNOPS
1100000319	1000002197	XDR	10,350,000	64%	Fully Repaid	Closed	03 Dec 1992	UNOPS
1100000353	1000002235	XDR	20,250,000	60%	Fully Repaid	Closed	19 Apr 1994	ADB
1100000524	1000002315	XDR	11,350,000	91%	Closed	Closed	11 Sep 1996	IFAD
1100001042	1000002346	XDR	10,750,000	87%	Closed	Closed	11 Sep 1997	IFAD
1100001077	1000002389	XDR	11,150,000	96%	Closed	Closed	03 Dec 1998	IFAD
1100001078	1000002458	XDR	13,400,000	27%	Closed	Closed	07 Dec 2000	IFAD
1100001182	1000002462	XDR	11,150,000	55%	Closed	Closed	26 Apr 2001	ADB
1100001245	1000002537	XDR	15,250,000	94%	Closed	Closed	18 Dec 2003	IFAD
1100001324	1000002601	XDR	18,300,000	99%	Closed	Closed	13 Dec 2005	WB
1100001385	1000002614	XDR	18,350,000	100%	Closed	Closed	20 Apr 2006	WB
1100001413	1000002929	XDR	22,850,000	100%	Closed	Closed	12 Sep 2007	IFAD
1100001514	1000003962	XDR	26,350,000	100%	Disbursable	Disbursable	15 Dec 2010	IFAD
1100001514	2000001443	XDR	7,290,000	100%	Disbursable	Disbursable	17 Dec 2015	IFAD
1100001514	2000001985	USD	25,000,000	100%	Disbursable	Disbursable	28 Sep 2017	IFAD
1100001514	2000002541	USD	2,900,000	68%	Disbursable	Disbursable	13 Sep 2018	IFAD
1100001514	2000002542	USD	36,500,000	50%	Disbursable	Disbursable	13 Sep 2018	IFAD
1100001514	2000004258	USD	50,000,000	0%	Approved	Disbursable	14 May 2022	IFAD
1100001515	1000004020	XDR	18,550,000	97%	Closed	Closed	11 May 2011	IFAD
2000000836	2000001114	XDR	48,550,000	66%	Disbursable	Disbursable	22 Apr 2015	IFAD
2000001467	2000001958	USD	82,600,000	54%	Disbursable	Disbursable	14 Sep 2017	IFAD
2000002331	2000003417	XDR	43,687,000	2%	Disbursable	Disbursable	08 May 2020	IFAD
2000002331	2000003416	XDR	2,179,000	16%	Disbursable	Disbursable	08 May 2020	IFAD
2000002333	2000004111	EUR	74,090,000	0%	Signed	Entry into Force	30 Dec 2021	IFAD

### Projects in Pipeline

Current Phase	Number of Projects	IFAD Proposed Financing USD ('000)
Pending	1	61,500
<b>Total</b>	<b>1</b>	<b>61,500</b>

## Financial management issues summary

### FINANCIAL MANAGEMENT ISSUES SUMMARY



COUNTRY	Islamic Republic of Pakistan	COSOP 2023/2027
<b>A. COUNTRY PORTFOLIO PERFORMANCE</b>		
<b>Country – FM KPIs:</b>		
<i>FM Inherent Risk:</i>	<b>High</b>	<p><b>TI:</b> The 2021 CPI score for Pakistan ranked it 140<sup>th</sup> out of 180 countries as compared to the 2020 score where it was 124<sup>th</sup> over 180. The 2021 CPI score is 28, a decrease of 3 points from the 31 points in 2020. The main reason for this decline continues to be those of corruption perceptions in the executive, legislature, and judiciary branches. Legal and institutional frameworks to prevent and control corruption remain weak. This means that an additional layer of checks and balances should be included in the mission reviews, in line with IFAD's procedures.</p> <p><b>The RSP</b> rating increased to 3.6 compared to 3.5 in 2020.</p> <p><b>PEFA.</b> The last publicly disclosed PEFA Assessment is that of 2012. PFM weaknesses still persist that include: (i) variations between budget and actual expenditure; (ii) weak linkages between policy and the budget arising primarily because of weaknesses in preparation of projects (iii) inefficient and underutilization of available development funds; (iv) use of both manual and IT-based accounting systems with negligible focus on service delivery; (v) weak internal audit function; and (vi) delays in the legislative scrutiny of the reports. Further assessments were disclosed in 2017 for the Baluchistan and Khyber Pakhtunkhwa provinces and more recently for the Punjab Province.</p> <p><b>Ongoing PFM Reforms:</b> The country is implementing a six- pillar PFM Reform Strategy (2018-2027) to improve budgeting, accounting, financial reporting, and auditing. A long-term National Procurement Strategy and Training Plan (2017-2021) is also under implementation. The enactment of the PFM Act 2019 accelerated the pace of reforms with concrete actions initiated thereunder including decentralized payment process, establishment of internal auditing regime, delegation of full financial powers to Principal Accounting Offices (PASOs), roll out of e- procurement regime, and introduction of Audit Management Information System (AMIS) in government auditing<sup>48</sup>. These are replicated at provincial levels and a Fiscal Coordination Committee (FCC) is established for this in each province. The World Bank is providing financing for PFM reforms.</p> <p>The <b>IMF</b> Executive Board concluded the 2021 Article IV Consultation and 6th review of the Extended Fund Facility (EFF) for Pakistan in February 2022<sup>49</sup>. Pakistan's economy continued to recover despite the COVID-19 pandemic, but imbalances have widened and risks remain elevated. Overall, timely and consistent implementation of policies and reforms remain essential for stronger and more sustainable growth. Some external pressures started to emerge in 2021 and Pakistan remains vulnerable to possible flare-ups of the pandemic, tighter international financial conditions, a rise in geopolitical tensions, as well as delayed implementation of structural reforms. External debt sustainability to GDP</p>
<i>*Country Disbursement Ratio (rolling-year)</i>	20.50%	
<i>Outstanding Ineligible Expenditure</i>		
<i>Outstanding Advances (Projects in Expired Status)</i>		
<i>Applicable PBAS cycle:</i>	IFAD12	
<i>IFAD 12 PBAS Available allocation:</i>	104,120,955	
<i>Utilised to date: SPPAP IV</i>	50,000,000	
<i>Available allocation</i>	54,120,955	
<i>BRAM resources (indicative)</i>	7,000,000	

<sup>48</sup> <http://documents1.worldbank.org/curated/en/479191608670275485/pdf/Disclosable-Version-of-the-ISR-PFM-and-accountability-to-support-service-delivery-PforR-P157507-Sequence-No-05.pdf>.

<sup>49</sup> <https://www.imf.org/en/News/Articles/2022/02/02/pr2221-pakistan-imf-executive-board-concludes-2021-article-iv-consultation-completes-6-review-of-efl>.



		<p>ratio projections provided for 2021 and 2022 are 39.1 and 40.6 respectively. Bilateral non-concessional debt is reported to be 10% of GNI while private creditors NCB is reported as 4.1% of GNI.</p> <p>The Open Budget Index (<b>OBI</b>) that gauges transparency in public sector governance, for Pakistan has gone down substantially from 44 in 2017 to 28 in 2019 on a scale of 0-100. The score remains intact as per the latest estimation by the Open Budget Survey 2021 and reflects very limited public access to information on how the government is mobilizing and using public money. Pakistan has a public participation score of 4 (out of 100) which means public participation in decision-making is virtually non-existent. Pakistan's Parliament provides limited oversight during the planning stage and weak oversight during budget execution (score of 36 out of 100). Audit oversight by the Auditor General Office has an adequate score of 61 out of 100<sup>50</sup>.</p>
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\*Corporate Disbursement Ratio Methodology considers ASAP, AFD, IFAD, KFW and SPA financing sources only.

<b>CURRENT LENDING TERMS</b>	Blend - As per IMF recent reports, the estimated GDP per capita for 2020/2021 was US\$ 1394.10 Projections for 2022 and 2023 are at 4% and 4.5 % respectively. The GNI per capita for 2020 was US\$ 1,280 and Pakistan continues to be eligible for PBAS and BRAM under IFAD12. Eligibility for IFAD resources in IFAD13 will depend on its income category status and debt sustainability status.
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## B. PORTFOLIO, FM RISK & PERFORMANCE

### Existing Portfolio:

Project	Financing instrument	FLX Status (2)	Lending Terms	Currency	Amount (million)	% Disbursed	Completion date
SPPAP - PK	200000144300	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	7.29	99.91	30/09/2023
SPPAP - PK	200000198500	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	US\$	25	100	30/09/2023
SPPAP - PK	200000254100	DSBL	LOAN COMPONENT GRANTS	US\$	2.9	68.26	30/09/2023
SPPAP - PK	200000254200	DSBL	BLENDED TERMS	US\$	36.5	50.33	30/09/2023
SPPAP - PK	200000425800	APPR	BLEND TERMS BY CURRENCY	US\$	50	0	30/09/2028
SPPAP - PK	L-I--825-	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	19.3	100	30/09/2023
ETIGB - PK	200000111400	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	48.55	66.35	30/09/2022
NPGP - PK	200000195800	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	US\$	82.6	53.74	31/12/2023
GLLSP II	200000341600	DSBL	LOAN COMPONENT GRANTS	XDR	2.18	16.24	30/06/2027
GLLSP II	200000341700	DSBL	BLEND TERMS BY CURRENCY	XDR	43.69	2.43	30/06/2027
GLLSP II	200000421300	APPR	SUPPLEMENTARY FUNDS GRANTS	US\$	3	0	25/06/2026

<sup>50</sup> For details, please see the report at <https://www.internationalbudget.org/open-budget-survey/open-budget-index-rankings/>.

KP-RETP	200000411100	SIGN	BLEND TERMS BY CURRENCY	EUR	74.09	0	31/12/2029
RPV RPSF	200000382200	DSBL	SUPPLEMENTARY FUNDS GRANTS	US\$	2.37	90	30/06/2022

Project	Project FM risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds
SPPAP - PK	Substantial	Moderately Satisfactory	Mod. satisfactory	Moderately Satisfactory	Moderately Satisfactory
ETIGB - PK	Substantial	Moderately Satisfactory	Mod. satisfactory	Moderately Unsatisfactory	Moderately Unsatisfactory
NPGP - PK	Substantial	Moderately Unsatisfactory	Satisfactory	Moderately Unsatisfactory	Moderately Satisfactory
GLLSP II	Substantial	Not Specified	Not Specified	Not Specified	Not Specified
KP-RETP	Substantial	Not Specified	Not Specified	Not Specified	Not Specified
RPV RPSF	Moderate	Not Specified	Not Specified	Not Specified	Not Specified

The only loan approved that is not yet signed is SPPAP IV Additional financing recently approved on 14 May 2022. KP-RETP project Financing Agreement was signed on 5 May 2022.

FM inherent risk of existing projects is rated as substantial due to the country's low CPI score. ICP is operational at each project. All donors use the country public financial management (PFM) system for budgeting, fund flow, accounting and external auditing. Under the PFM Act 2019, a system of decentralized financial management with strong internal controls—including internal audit at federal level is being established. The provinces are also being encouraged to adopt the similar system. Quality and timeliness of audit reports improved for reports due by 31 December 2021 on all ongoing existing projects, except GLLSP I where delays continued. Overall, project portfolio performance has been mixed with SPPAP performing well, ETIGB scoring moderately unsatisfactory in some areas in the last supervision mission and NPGP project being at risk. For the latter, there was a change in Implementing Agency in 2022 together with an audit that is being carried out with respect to past operating and program costs claimed by the previous agency.

#### Control Risks

- Well-qualified and experienced FM staff are not recruited in time—thereby causing start-up delays;
- A sub-optimal accounting software is being used that does not permit timely and properly accounting and financial reporting;
- Projects don't properly review quarterly deliverables targets while examining SOEs and this increases project delivery risks;
- Internal controls over Implementing Partners (IPs) that use IFAD's funds not subject to continuous and effective oversight; and
- Audit reports are not submitted on time and ineligible expenditure is not being promptly identified, reported, and recovered based on audit reports.

#### Mitigation Strategy

- Projects should establish the PMU, fund flow, internal controls and reporting arrangements at the earliest;
- An appropriate accounting software should be procured as part of the start-up phase;
- The retroactive financing/start up advances should be built into Financing Agreements to implement start-up actions;
- FM teams should carry out field inspection of Implementing Partners to monitor and strengthen internal controls;
- FM teams should review the IPs' progress against contractual quarterly deliverables targets as part of their SOEs' review; and
- Projects should maintain a close liaison with the external auditor to improve the timeliness of audit reports, minimize the backlog of audit observations to minimize risk of the amounts involved in audit observations being declared ineligible by IFAD;

# Poverty graduation diagram



**Consultative Workshop on**  
**IFAD COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME**  
**(COSOP) 2023-2027**  
**Monday, 30<sup>th</sup> May, 2022 (10:00 AM to 01:30 PM)**  
**Opening Remarks**

By Senior Joint Secretary (WB/IFAD), EAD

Country Director, IFAD  
 Honorable Guests,  
 Government Colleagues,  
 IFAD Team,  
 Ladies & Gentlemen;

**Assalamu Alaikum and Good Morning**

It is indeed a great pleasure for me to welcome you all to this Consultative Workshop jointly organized by Ministry of Economic Affairs and IFAD. The purpose of the workshop is to discuss and seek feedback from key stakeholders on the new IFAD Country Strategic Opportunities Programme (COSOP) for Pakistan for the period of 2023-2027. Formulation of COSOP is a key step in the process of IFAD's strategic programming decisions.

At the outset, let me acknowledge and extend my appreciation to IFAD for its continuous support and assistance to Pakistan. Government of Pakistan and IFAD have a long history of collaboration and a common goal of eradicating poverty through development projects having a special focus on rural and remote areas of the country. Through our partnership several innovations and best practices have been introduced by IFAD under its portfolio. Pakistan being founder member of IFAD, has always contributed IFAD replenishments and considerably enhanced its contribution notably toward IFAD 11 and IFAD 12 replenishment. This demonstrates our strong commitment.

Since inception, IFAD has co-financed 28 projects /programs in Pakistan worth US\$ 2.797 billion with IFAD commitment of around US\$ 851 million. Today, the IFAD funded portfolio in Pakistan is composed of 5 projects (ETI-GB; SPPAP, NPGP, KP-RETP, GLLSP II) for a total amount of US\$ 399 million covering all the territory and focusing mainly on agri-business development, poverty graduation, youth employment, rural infrastructure and community led development. In addition to this an additional financing of US\$ 50 million for SPPAP is also ready for signing.

**Ladies and Gentlemen,**

Since our joining the IFAD, Government of Pakistan with the assistance of IFAD has always supported policies and institutional strengthening including changing trajectory of development and pro poor policies. For the future, based on IFAD mandate and IFAD recent evolution in terms of reorganization and financial tools, the current COSOP 2023-2027, shall continue focus on rural development and poverty reduction in full alignment with government priorities and the Agenda 2030. Taking opportunities of this consultation I would suggest that deliberation shall focus on;

- Provincial and national consultation priorities shall be brought forward during the course of this workshop;
- There is a strong need for development partnership between Government and IFAD but also among the broader development agencies to achieve synergies;
- Through such consultation we should advocate and strengthen the key mainstreaming themes particularly youth, women, climate change and nutrition;
- IFAD shall continue its focus especially on the inclusive economic development and explore opportunities for agriculture transformation, agriculture value chain development, agribusiness promotion and building resilience of smallholder farmers;

- Innovate and target the most vulnerable in order to ensure the best efficiency and impact of the funds in terms of sustainable poverty alleviation of IFAD co-investments

**Ladies and Gentlemen,**

Through today's workshop, we invite your suggestions and feedback on the IFAD Strategy based on your rich experience and expertise in the field.

At the end, let me once again congratulate IFAD, the Design team for preparing a comprehensive document in short time. I thank you all for your very precious time, hope that you can actively participate and have a meaningful dialogue and discussion about the COSOP 2023-27 and how we can further improve it.

Thank you very much.

## Theory of change

