



EN

THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 3

to the Commission Implementing Decision on the financing of the action plan for the Resilience Rapid Response Pillar for 2024 – Part 1

Action document for adaptive social protection to strengthen long-term resilience and address drivers of displacement in Pakistan

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action summary table

1. Title CRIS/OPSYS business reference Basic act	Adaptive social protection to strengthen long-term resilience and address drivers of displacement in Pakistan OPSYS number: ACT-62642 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe initiative	No
3. Zone benefiting from the action	The action will be carried out in South Asia, Pakistan
4. Programming document	Rapid Response Pillar (RRP), Resilience and linking humanitarian and development actions component
5. Link with relevant multiannual indicative programme (MIP) objectives / expected results	The Action complements ongoing bilateral interventions under the 2021-2027 EU-Pakistan multiannual indicative programme (MIP) to strengthen climate change adaptation/mitigation in agriculture and energy (priority area 1 - green inclusive growth), build human capital (priority area 2) and strengthen governance (priority area 3).
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority area(s), sectors	Social infrastructure and services (160), Disaster prevention and preparedness (740)
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 1 (no poverty)

	Other significant SDGs (up to 9) and where appropriate, targets: 5 (gender equality), 8 (decent work and economic growth), 10 (reduced inequality – targets 10.2 and 10.4), 11 (sustainable communities – target 11.5) and 13 (addressing climate change impact – target 13.1).			
8 a) DAC code(s)	DAC (Development Assistance Committee) 16010 – Social protection – 50% (main) DAC 74020 – Multi-hazard response preparedness – 25% DAC 43060 – Disaster risk reduction – 25%			
8 b) Main delivery channel	13000 Third-country government (delegated cooperation)			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and human development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human rights, democracy and governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid for environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster risk reduction @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Inclusion of people with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Rio Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. Internal markers and tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	/
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020320 Total estimated cost for 2024: EUR 16 000 000 Total amount of EU budget contribution for 2024: EUR 15 000 000 This action is co-financed in joint co-financing by: - The government of Germany for an indicative amount of EUR 1 000 000.			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the body to be selected in accordance with the criteria set out in Section 4.3.1			

1.2 Summary of the action

According to the Global Climate Risk Index, Pakistan is among the 10 countries in the world most affected by climate change from 2000 to 2019¹. The country has in recent years experienced several extreme weather events (droughts, floods and heatwaves), the frequency, intensity and associated costs of which are expected to increase. The unprecedented scale and magnitude of the floods in 2022, which have impacted 33 million people and caused over USD 30 billion in damages and economic losses, confirm this trend². Coupled with a challenging macroeconomic environment marked by high inflation and an unsustainable debt burden, this has resulted in high incidences of poverty (39.4%)³ and vulnerability, including high levels of food insecurity, stunting and malnutrition. These challenges, in an already fragile political and security context, present risks of potential conflict, instability and increased movements of population. For reference, nearly 8 million people were displaced internally because of the floods in 2022⁴.

Pakistan's capacity to adapt to the impact of climate change and shocks and protect its most vulnerable populations is an immediate shared priority to avert a larger crisis that could have spill-over effects beyond the country's borders.

Adaptive social protection, i.e. the integration of disaster risk management (DRM), climate change adaptation and social protection, is increasingly recognised as a viable set of policies and interventions. These address root causes of poverty, instability and displacement by expanding the ability of poor and vulnerable communities to better prepare for, cope with, and adapt to individual and collective shocks, thereby improving their long-term resilience. This approach is highlighted in key national frameworks (2022 Resilient Recovery, Rehabilitation, and Reconstruction

¹ Global Climate Risk [Index](#), German Watch, 2021.

² [4RF](#), December 2022, Ministry of Planning, Development and Special Initiatives, Government of Pakistan.

³ Poverty & Equity Brief – [Pakistan](#), World Bank, October 2023.

⁴ Pakistan floods 2022 Post-Disaster Needs Assessment (PDNA), October 2022, Ministry of Planning Development and Special Initiatives, Government of Pakistan.

Framework for Pakistan (4RF), 2023 National Adaptation Plan and National Policy Framework for Poverty Alleviation and Social Protection) and was reaffirmed at the 2023 National Conference on Adaptive Social Protection. At present, the government's capacity at federal and provincial levels to effectively support the population in times of economic and climate-related shocks is limited, with ad hoc linkages between social protection and DRM.

In this context, the action aims to sustainably improve the living conditions and build the long-term resilience of Pakistan's poor and vulnerable communities by strengthening the social protection system and making it more adaptive and financially sustainable to mitigate crises caused by climate change. To achieve this, the action will support and enable federal and provincial actors in their collaborative approach towards adapting and improving existing social protection and disaster response mechanisms, with a focus on provinces, such as Sindh, that are most prone to natural disasters and other climate-related shocks. Support will mainly consist in:

- increased institutional, technical and financial capacities of the competent authorities to develop and implement adaptive social protection bringing together in a coordinated manner social protection, DRM and climate change adaptation actors at different levels;
- improved methods, tools and systems to target the hard-to-reach including women and vulnerable communities with adaptive social protection programmes for climate change;
- improved tools and procedures for regular data exchange between the National Socioeconomic Registry (NSER) and other institutions of social protection, disaster management and climate change adaptation;
- increased institutional capacities to use social protection in anticipatory and reactive disaster management, including the analysis of incremental and sudden climate change risks and the use of disaster risk financing instruments;
- increased availability of evidence-based innovative approaches to using social protection programmes for climate change adaptation.

As per the nature of the resilience/human-development-peace (HDP) nexus component of the Rapid Response Pillar of the Neighbourhood, Development and International Cooperation Instrument (NDICI) under which the action is financed, the latter will focus on strengthening resilience and increasing coordination and coherence between humanitarian aid, development actions and peacebuilding which cannot be swiftly addressed through geographic and thematic programmes. The 2022 floods in Pakistan had a devastating effect in the Sindh province that could not reasonably and concretely be foreseeable in the medium term (thus, the province was not part of the EU-Pakistan multiannual indicative programme 2021-2027) and this shock highly exacerbated the vulnerability and risk for the country and its population.

The action primarily contributes to achieving SDG 1 on poverty (target 1.3 on implementing nationally appropriate social protection systems and measures for all) with linkages to SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 10 (reduced inequality), SDG 11 (sustainable communities) and SDG 13 (climate action).

It delivers on the New European Consensus for Development⁵ and the Strategic Approach to Resilience in the EU's External Action⁶, which both recognise the role of social protection to building resilience. The action would also operationalise the Team Europe HDP nexus collaborative framework for Pakistan that was recently finalised. It fully aligns with ECHO 2022-2024 & 2024-2026 Disaster Preparedness Strategies, expanding ongoing work on institutionalising early/anticipatory action and seek synergies with the Foreign Policy Instrument (FPI) interventions on post-floods crisis response (ending in 2024). By aiming to strengthen the resilience of poor and vulnerable communities in the face of environmental and economic shocks, it will also contribute to addressing some of the root causes of migration and displacement. Its gender-transformative dimension is aligned with the EU Gender Action Plan III. Finally, the action could become the nucleus of a broader Team Europe initiative considering the investment of other Team Europe partners (Germany, France) in the social protection sector.

1.3 Zone benefiting from the action

The action will be carried out in Pakistan.

The EU contribution will support activities at the federal and provincial levels in areas most prone to climate change and other climate-related shocks, with a focus on Sindh. It will build on, complement and expand activities supported

⁵ 2017/C 210/01.

⁶ JOIN (2017) 21 and Council Conclusions of 13/11/2017.

by Team Europe partner (Germany) at federal level and in Khyber-Pakhtunkhwa, Punjab and (possibly) Balochistan under ongoing/upcoming adaptive social protection projects (see Section 2.2 below).

2 RATIONALE

2.1 Context

Home to over 240 million people⁷, Pakistan faces a multitude of challenges in the political, economic, social, climate and security spheres. General elections took place on 8 February 2024 and a new government is set to take function on 29 February. Since the Taliban takeover of Kabul in 2021, the security situation has also been deteriorating.

Climate change features as a critical developmental challenge: the country ranks among the top 10 countries worldwide most affected by climate change and has been consistently observing changing weather patterns such as increased frequency and severity of heatwaves, droughts and floods. The latest case in point is the unprecedented scale and magnitude of the floods in 2022 which impacted 33 million people (over 13% of the population) – including nearly 8 million internally displaced and caused major economic and infrastructural damages across the country. The post-disaster needs assessment estimates damages and economic losses at USD 14.9 billion (4.8% of GDP)⁸ and USD 15.2 billion respectively, severely impacting the industrial and agricultural base of the country. Rural areas of Sindh, which is highly dependent on agriculture, were especially affected. Projections suggest that natural disasters are likely to be more frequent and intense in the near future.

At the same time, Pakistan stands at a challenging macroeconomic juncture. The difficult economic conditions along with record high energy and food prices, lower incomes and the loss of crops and livestock due to the 2022 floods have resulted in an estimated poverty headcount of 39.4% in 2023 compared to 34.2% in 2022, meaning that 12.5 million more Pakistanis have fallen into poverty⁹. Most workers (73%) are engaged in the informal sector with low paid occupation and no social protection and are vulnerable to life's contingencies and external shocks. The limited ability of the population to accumulate human and physical capital and its repeated exposure to economic and climate-related shocks, combined with the absence of adequate coping mechanisms is expected to lead to sizeable increases in poverty and vulnerability levels, reversing the sustained reduction observed over the last 20 years. This, in turn, represents substantial risk factors for instability and tension over already over-burdened services and resources as well as increased movements of population (displacement/migration). Sindh, with its provincial capital Karachi, the most populous Pakistani city, is particularly exposed.

To address and mitigate these risks, Pakistan has taken relevant steps to expand and strengthen its social protection framework, with a focus on its poorest and most vulnerable citizens (mostly women, children and older people). The Benazir Income Support Programme (BISP) is the flagship social protection initiative to alleviate poverty. It was instrumental to provide emergency cash assistance to 16.9 million household in 2020 as a response to the COVID-19 crisis and, most recently, cash relief to around 2.8 million flood-affected households. While Pakistan has been effective in delivering emergency response through BISP, the capacity of the federal and provincial institutions to support populations to efficiently address economic and climate-related shocks in a durable manner however remains largely limited. Linkages between social protection and DRM is ad hoc, leading to delays and overall inefficiencies.

In the wake of the 2022 floods, the need has strongly emerged to structurally adapt the existing social protection and disaster response mechanisms to help poor and vulnerable communities better prepare for, cope with, and adapt to long-term effects of climate change including natural disasters – thereby mitigating associated risks.

This is reflected in national priorities: in July 2023, the Ministry of Poverty and Social Safety Nets (MoPASS) developed a National Policy Framework for Poverty Alleviation and Social Protection (currently under endorsement by the Cabinet) with the objective to define the role of different tiers of government and integrate poverty alleviation and social protection initiatives to reduce fragmentation and encourage synergies. The document refers to adaptive social protection as a strategic objective to mitigate the impact of natural disasters and other shocks and build the resilience of vulnerable communities (including internally displaced populations). The 4RF identifies disaster

⁷ Pakistan 7th Population and Housing [Census](#) (2023).

⁸ 2022 Fiscal Year. Source: Pakistan Floods 2022 – Post-Disaster Needs Assessment, October 2022.

⁹ Lower-Middle Income Country poverty threshold (US\$ 3.65/day 2017 PPP per capita). [Source](#): Poverty & Equity Brief – [Pakistan](#), World Bank, October 2023.

preparedness, social protection and livelihood diversification as medium- and long-term priority areas to build long-term resilience. The post-disaster needs assessment mentions the need for building an adaptive social protection system and livelihood diversification, specifically in Sindh. Expanding shock-responsive social protection also features as a policy imperative under the 2023 National Adaptation Plan of the Ministry of Climate Change¹⁰, the 2021 National Climate Change Policy¹¹ and Pakistan's Nationally Determined Contributions¹². The IMF Stand-by Agreement also requires the government to build climate resilience through social protection¹³. The National Conference on Adaptive Social Protection organised in 2023 reaffirmed these commitments, highlighting the need to institutionalise a regular dialogue and develop a draft national framework outlining the roles and responsibilities of various stakeholders, including the provinces.

In parallel, the first National Dialogue Platform on Anticipatory Action (December 2023) outlined priorities and fundamental building blocks for anticipatory action. Recommendations to test models and identify a pathway to develop a country-level roadmap for anticipatory action were adopted.

The action supports the operationalisation of these plans and strategies. It complements ongoing bilateral interventions under the 2021-2027 EU-Pakistan Multiannual Programme (MIP) to strengthen climate change adaptation/mitigation in agriculture and energy – notably the AAP 2023 post-floods actions to support the recovery and strengthening of the livestock sector in Balochistan and the rural economic recovery of green productive assets in Khyber-Pakhtunkhwa – both aiming to foster resilience to climate change and economic shocks in the most affected and poorest districts of the respective provinces. The action focuses on Sindh, which is not part of the bilateral geographical coverage under the MIP and represents an area particularly exposed to natural hazard induced disasters and other climate-related shocks, with unforeseeably severe consequences and unpredictable high scale. The action also supports key commitments from Pakistan to global processes to fight climate change such as the Paris Agreement and the Global Shield Against Climate Risks in the framework of the COP, of which Pakistan is one of the main promoters, as well as the Sendai Framework for Disaster Risk Reduction (2015-2030)¹⁴.

The action delivers on the New European Consensus for Development and the Strategic Approach to Resilience in the EU's External Action which recognise the role of social protection in building resilience. By aiming to strengthen the resilience of poor and vulnerable communities in the face of environmental and economic shocks, it also contributes to addressing some of the root causes of migration and displacement, in line with the Pact on Migration and Asylum¹⁵. The action will also contribute to wider global initiatives such as the Global Compact on for Migration and the Global Compact for Refugees. Its gender-transformative dimension is aligned with the EU Gender Action Plan III.

The action also operationalises the Team Europe humanitarian-peace-development nexus collaborative framework currently being finalised for Pakistan. It fully aligns with ECHO 2022-2024 & 2024-2026 Disaster Preparedness Strategies and will embed, expand, and further sustain ongoing work in selected districts in Sindh to institutionalise and channel anticipatory action in Pakistan's social protection system (which is ending in 2024). The action will also seek synergies and ensure continuity with FPI response in flood-affected areas in Sindh (EUR 11.9 million package¹⁶). It has high potential for becoming the nucleus of a broader Team Europe initiative considering the investment of other Team Europe partners (Germany and France) in the social protection sector.

¹⁰ National Adaptation Plan – [Pakistan](#), Ministry for Climate Change & Environmental Coordination, Government of Pakistan, 2023.

¹¹ (Updated) National Climate Change Policy, [Pakistan](#), Ministry of Climate Change, Government of Pakistan, 2021.

¹² Pakistan Updated Nationally Determined Contributions (NDC), Government of Pakistan, 2021.

¹³ First review under the Stand-By Arrangements, IMF, January 2024. It calls for strengthening social protection and social spending, improving efficiency and transparency of disbursement mechanisms and continuing efforts to execute social programmes outside BISP.

¹⁴ Expanding social protection programmes to help enhance the resilience of vulnerable groups in the face of disasters and climate change features as recommendation No 6 under 'Partnership Initiatives'.

¹⁵ COM(2020) 609 final.

¹⁶ FPI Crisis Response Decision 'Assistance to flood affected communities in Pakistan' (NDICI CR 2022/40) consisting of three actions supporting early recovery, with a focus on the most vulnerable groups.

2.2 Problem analysis

Short problem analysis:

The government of Pakistan has made notable progress to build its social protection system in the last 15 years. The 18th Constitutional Amendment in 2010 devolved primary responsibility for social protection and DRM to provincial governments. However, the current – still nascent – social protection landscape does not have a clear delineation of programmes that should be run and funded at a federal level versus those that fall under provincial responsibility (including funding).

Leading the sector, BISP provides regular cash transfers to around 9.3 million poor women and their families across Pakistan. The programme builds on the National Social and Economic Registry (NSER) which is the central instrument for enrolling beneficiaries. With a coverage of 85% of the population and interoperability with the biometrically enabled Computerised National Identity Card (CNIC), the NSER – despite some limitations, contains the strongest household data that exists in the country and forms a strategic pillar for shock-related expansion of the social protection system. Budget allocations under BISP have consistently increased over the years (USD 1.8 billion in 2024) indicating a political consensus and strong commitment to the programme. Other large national safety net programmes include *Bait ul-Maal* and the Pakistan Poverty Alleviation Fund.

At the provincial level, the Zakat¹⁷ and Social Welfare Departments administer social protection programmes, including the provision of institutional care services. Yet the coverage, efficiency and impact of these programmes remain low as a result of weak overarching governance and policy frameworks (including accountability), poor institutional capacities and limited funding. To overcome these challenges, the provincial governments of Sindh and Punjab have established social protection authorities with the task to strengthen the local social protection mechanisms. This includes the development and implementation of social protection strategies and the roll-out of specific schemes to alleviate poverty and mitigate vulnerabilities¹⁸.

In parallel, Pakistan established the National Disaster Management Authority in 2007 and provincial governments notified their respective provincial disaster management authorities to deal with more localised scenarios. The current DRM policies and plans are multi-hazard in outlook and design. For instance, the National Disaster Management Plan (2012-2022) is set so to act as a framework for a broad spectrum of disasters across tools and instruments. The link between DRM and social protection is not formalised and response and contingency plans need to be updated, for faster social protection response.

Overall, the current Pakistani social protection landscape remains inadequate to effectively address major challenges such as poverty and climate change adaptiveness, leaving large parts of the population to unsustainable risk coping strategies. It includes the following shortfalls:

- **Effective coverage of social protection remains very low** compared to needs, with only 9.2% of the population covered by at least one benefit (SDG 1.3.1). About 5% of children receive a child benefit and 6% of older people get a pension. There is no unemployment scheme and maternity benefits are only available for those working in the public sector¹⁹. The focus of the current system is on the poorest rather than building a system that protects everyone based on a lifecycle approach²⁰. Access to existing programmes and benefits also remain constrained: lack of streamlined procedures and transparency within relevant Departments, cumbersome enrolment and payment processes result in significant barriers for eligible households (e.g. many women still do not have a CNIC due to cultural barriers; transport costs to access points of sale and transaction costs remain high).
- Despite improvements, the **institutional and financial basis of the system remains weak**. Budgetary constraints limit expansion of programmes. The institutional set-up also hampers reform steps to innovate key elements of programmes i.e. targeting mechanisms, delivery modes and the desired multi-sectoral orientation (e.g. fostering the link with public works programmes or efforts to raise nutrition levels). This leaves a large part of the population, especially women, unprotected against individual and collective risks.

¹⁷ Zakat and Ushr is a welfare system based on traditional Islamic law that provides financial assistance to the needy, indigent and poor.

¹⁸ The Provinces of Sindh, Punjab, Khyber Pakhtunkhwa and Gilgit Baltistan have notified their respective social protection policies.

¹⁹ [ILO | Social Protection Platform \(social-protection.org\)](https://social-protection.org/)

²⁰ A social protection profile of Pakistan: Building an inclusive social protection system, available at: [wcms.802498.pdf \(ilo.org\)](https://wcms.802498.pdf).

- **Institutional coordination is poor.** There is no clear distribution of roles and an overall lack of coordination between federal and provincial governments (vertical) as well as between responsible ministries and authorities in the areas of social protection, DRM and climate adaptation (horizontal). This inhibits crisis response and efficient resource management. In an effort to address this, in 2019 the federal government appointed a Poverty Alleviation Coordination Council (PACC) that included members from the provincial governments. The aim was to develop a five-year Social Protection Strategy but with no progress to date. MoPASS has expressed their intent to reactivate the forum. In parallel, various institutions engaged in social protection have set-up need-based technical working groups. This includes the Cash Transfer Working Group (CTWG) established recently under BISP to improve coordination and exchange amongst national stakeholders and development partners.
- **Lack of technical capacities persist,** especially when it comes to handling innovative data management and interoperability. While the NSER has transformed significantly in recent years and has developed an on-demand registration system, it still relies on data collected periodically from the public to develop household profiles. The ability of NSER to collect data from other governmental agencies is still limited. In addition, as the country's main poverty targeting instrument for social protection programmes, NSER's access to provincial bodies is also limited because of a lack of IT systems and interoperability frameworks. Access to more robust and comprehensive data would also help to better understand vulnerability, especially regarding climate change.
- **The nexus between the social protection, DRM and climate change sectors has not yet been adequately conceptualised.** Hence, responses to disasters tend to be ad hoc and fragmented. Although DRM legislation is in place, sectoral frameworks and policies at sub-national level are incomplete and/or obsolete. Lack of institutional capacity, focus on emergency response rather than risk management, weak coordination and overall lack of resources have all been hampering effective implementation. The most critical gap remains to detect early and respond faster to crises using existing social protection mechanisms. For this, early warning systems should be linked with parameters, triggers based on local contexts and docked in local preparedness plans. Efficient responses should be informed by layered, inter-linked, real-time data (combining hydro-met and socio-economic vulnerability) so disaster triggers are integrated within government systems and contribute to better preparedness. At grassroots level, households should also be empowered to make right and timely decisions through access to quality and usable information and data they can relate to.

Member States and development partners have been active in the social protection sector. Germany is a longstanding partner of Pakistan. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH²¹ is implementing a EUR 11 million project (2023-2026) to improve the institutional, financial and technical conditions for implementing adaptive and gender-transformative social protection. At the local level, the project focuses on Punjab and Khyber-Pakhtunkhwa but was designed to be extended to other provinces (Sindh, Balochistan). GIZ is also supporting MoPASS and BISP in their coordination efforts. This includes providing secretarial support to the PACC and CTWG in collaboration with Unicef. KfW Development Bank (Pakistan) provided direct support to selected flood-affected districts in 2022 (EUR 20 million) and is expanding its work in shock-responsive social protection with an additional EUR 7 million. GIZ and KfW interventions build on a solid partnership with Pakistani authorities and synergies with like-minded partners. The action will reinforce these initiatives and expand ongoing activities to Sindh. The Agence Française de Développement (AFD) is contributing USD 60 million to pilot a conditional cash transfer programme in Khyber-Pakhtunkhwa as part of the Pakistan Polio Eradication Programme and is exploring possibilities for further investments in the social protection sector beyond 2024.

Under a three-year pilot programmatic partnership with the Food and Agriculture Organization (2021-2024), ECHO has been supporting efforts to strengthen the link between anticipatory action and social protection making better use of existing infrastructure to reach and proactively support vulnerable populations ahead of forecasted shocks. The work is focusing on selected districts in Sindh. In 2022, FPI allocated EUR 11.9 million under its crisis response package to contribute to the early recovery of flood-affected households and the rehabilitation of their livelihood and community assets. The support also targets districts most in need in Sindh. The action will build on and ensure continuity with these interventions, both due to end in 2024.

The World Bank is supporting federal and provincial governments with loan packages to strengthen the overall social protection system in Pakistan, mostly through BISP. This includes initiatives to support informal workers through

²¹ On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

hybrid saving schemes²². The World Bank is also supporting the government of Sindh to improve its social protection policy and delivery frameworks²³. The Asian Development Bank is also supporting BISP to improve the efficiency and quality of its administration, infrastructure and implementation of cash transfer programmes²⁴. FCDO recently started a programme on Building Resilience and Addressing Vulnerability to Emergencies²⁵. These initiatives hold potential for complementarity and synergies on adaptive social protection interventions under the action.

The overarching development partner support framework focuses on BISP. Apart from some limited cases, interventions do not build on a systems-based approach with concurrent support to multiple tiers of government but rather target limited actors or jurisdictions. The action addresses this gap by making provision for a systems-based approach that supports key stakeholders through active coordination across jurisdictions. While the action piggybacks on the operating systems of BISP, it primarily focuses on building and expanding capacities at the provincial level (focus on Sindh) and introduces the new elements where gaps and increased opportunities to engage have emerged – complementing the aforementioned interventions. This is the key added value of the EU-Team Europe intervention compared to existing programmes and consists in establishing and institutionalising the missing link between DRM and social protection and strengthening interinstitutional and inter-provincial coordination on social protection and DRM.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

At the federal level, the main stakeholders consist of:

- The **Ministry of Poverty Alleviation (MoPASS)**, responsible for overseeing policies and programmes aimed at reducing poverty and ensuring social safety nets for vulnerable populations. MoPASS is responsible for formulating and implementing strategies to alleviate poverty, improve social safety programmes and enhance the overall well-being of disadvantaged groups within the country.
- The **Benazir Income Support Programme (BISP)**, Pakistan's largest social safety net programme, focusing on providing financial assistance to low-income families. BISP primary mandate is to distribute cash transfers to eligible beneficiaries, particularly women. BISP is an autonomous body under the administrative control of MoPASS.

The action will also work closely with:

- The **National Disaster Management Authority (NDMA)**, in charge of formulating and implementing policies, plans and guidelines for DRM in Pakistan. Its mandate includes coordinating disaster response, promoting disaster risk reduction and enhancing the overall resilience of communities. It plays a crucial role in coordinating activities during and after disasters.
- The **Ministry of Climate Change (MoCC)**, tasked with formulating and implementing policies related to climate change and environmental sustainability. MoCC's mandate involves addressing climate change challenges, promoting sustainable environmental practices and coordinating efforts to mitigate the impact of climate change. It also engages in international climate negotiations and agreements.
- The **Ministry of Finance (MoF)** and provincial line departments, responsible for mobilising, allocating and managing public resources for social protection in an efficient, effective and accountable manner.

At the provincial level, the main stakeholders consist of:

- **Social protection authorities (SPAs)** established in the provinces following the devolution of social protection and allied functions to consolidate and coordinate social protection programmes, incorporate best practices along the social protection supply chain and overcome new and existing challenges faced by the population through strategic interventions. To date, Sindh and Punjab have established SPAs while other provinces and regional governments including Khyber-Pakhtunkhwa and Gilgit Baltistan have expressed similar intents in their respective policies. The **Sindh Social Protection Department** established in May 2022 is mandated of supporting

22 Crisis-Resilient Social Protection Programme (CRISP), US\$ 600 million.

23 Strengthening Sindh Social Protection Delivery System Programme (US\$ 220 million).

24 Integrated Social Protection Development Programme (US\$ 600 million loan and US\$ 27.48 million grant).

25 £38 million (2021-2028).

the Sindh SPA with its routine functioning by providing higher level leadership. The department is empowered to facilitate interaction of the Sindh SPA with other provincial departments as well as the federal government.

The action will also work closely with:

- **Provincial planning and development departments (P&DDs)**, which are responsible for the overall annual development planning and budgetary approval for various departments. P&DDs also perform a coordination function which is essential for multi-sectoral interventions. To mainstream the topic of climate change into overall government planning and subsequent programme interventions, P&DDs have constituted climate change cells which allow for multi-sectoral collaboration to address these challenges from different perspectives. While P&DDs do take on the responsibility of coordinating various departments engaged in the delivery of social protection at the provincial level, implementation of programmes including social assistance and institutional care remain within the purview of the **Zakat and Ushr Department** and the **Social Welfare Department** especially in provinces where SPAs have not yet been established. Other departments which contribute through various initiatives towards the overall social protection system include the Labour Department which administer social security through the Employees Social Security Institution.
- **Provincial disaster management authorities (PDMA)** are responsible for planning for disasters and carrying-out relief and rehabilitation activities in coordination with the district commissioner's office which is the revenue department of the provincial governments.

The target population for this action (final beneficiaries) includes social protection beneficiaries, with a focus on populations most vulnerable to climate-related shocks (including women and children). Populations internally displaced by natural disasters will be mainstreamed in the overall target group.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and expected outputs

The **overall objective (or impact)** of this action is to increase the social and economic resilience of Pakistan to the impacts of climate change.

The **specific objective (or outcome)** of this action is to increase the effectiveness and sustainability of the social protection system in Pakistan from an adaptive and gender-transformative approach, with a focus on provinces, such as Sindh, that are most prone to natural disasters and other climate-related shocks²⁶.

The **outputs** to be delivered by this action to help achieve contributing to the corresponding specific objective comprise the following items:

1. increased institutional, technical and financial capacities of the competent authorities to develop and implement adaptive social protection bringing together in a coordinated manner social protection, DRM and climate change adaptation actors at different levels;
2. improved methods, tools and systems to target the hard-to-reach including women and vulnerable communities with adaptive social protection programmes for climate change;
3. improved tools and procedures for regular data exchange between NSER and other institutions of social protection, disaster management and climate change adaptation;
4. increased institutional capacities to use social protection in anticipatory and reactive disaster management, including the analysis of incremental and sudden climate change risks and the use of disaster risk financing instruments;
5. increased availability of evidence-based innovative approaches to using social protection programmes for climate change adaptation.

²⁶ The EU contribution will cover activities at the federal and provincial levels, with a focus on Sindh. It will build on, complement and expand the work undertaken by development partners and Member States (Germany) in Khyber-Pakhtunkhwa, Punjab and (possibly) Balochistan.

3.2 Indicative activities

Activities relating to Output 1 can include:

- Support the organisational and institutional development of MoPASS, BISP and key actors at the provincial levels (focus on Sindh). This includes support to SPAs and P&DDs to redesign and strengthen their respective roles.
- Support the assessment of the financing gap and the development of sound financing strategies to enhance the financial envelope at sector level, including the use of national and international financing instruments and progress in advancing contributory social protection, such as through unemployment or pension schemes for formal and informal workers), while increasing horizontal and vertical coverage of adaptive social protection programmes (by enhancing operating arrangements such as NSER, payment systems etc.).
- Facilitate broader level policy dialogue between relevant actors at federal and provincial levels to improve cooperation and develop joint approaches to solutions with a focus on fiscal sustainability, improved anticipatory action in case of climate-related risks, data interoperability of social protection programmes and better risk layering between climate and poverty data.

Activities relating to Output 2 can include:

- Support BISP to pilot, adapt and roll-out nationwide approaches to improve financial literacy and access to financial services – in particular bank accounts and saving schemes – and support behavioural change for BISP beneficiaries and workers in the informal sector in close collaboration with other development actors (World Bank, Unicef).
- Support BISP in the expansion, adaptation and nationwide implementation of a dynamic registration system for NSER and a mobile registration system in selected parts of the country (focus on Sindh), including an appeals mechanism for complaints as required.
- Develop technical and institutional solutions for the integration of other administrative data systems (e.g. land, property and vehicle ownership registers, tax data, and disability registers) into NSER to support regular updating of household data.

Activities relating to Output 3 can include:

- Develop and test evidence-based solutions for the continuous and automatic exchange of data from social registries between federal and provincial levels.
- Develop an evidence-supported systematic approach and concept to assess local/regional conditions and needs to identify population groups and geographic areas where support is needed.
- Enhance/boost system architecture formation and required digital ecosystems, including both hardware and software, required to link climate change monitoring and modelling with a strengthened digital adaptive social protection ecosystem (i.e. linking climate vulnerability and exposure dimensions and enable real-time monitoring and forecasting).
- Build expertise to collect and analyse relevant data on selected climate and natural risks and on the exposure and vulnerability of the population (focus on Sindh).

Activities relating to Output 4 can include:

- Support the development and refinement of policy documents such as frameworks, strategies, policies governing social protection at the federal and provincial levels (focus on Sindh).
- Support PDMA and social protection actors in developing a framework plan, revising existing crisis response plans and clarifying options for measures to improve crisis response capability.
- Support the creation of the foundations for adaptive social protection in the provinces most prone to natural hazards and other climate-related risks (focus on Sindh), especially by allowing them in the next step to actively increase coverage to women and vulnerable populations for climate change adaptation.
- Provide expert advisory services to actors at federal and provincial levels to identify disaster risk financing options, taking account provincial and national budgets (e.g. National Disaster & Risk Management Fund), and international funds (e.g. Global Shield Against Climate Risk) and assist with their application.

Activities relating to Output 5:

- Review experiences of existing sustainable livelihood programmes for poor households facing climate change (focus on Sindh).
- Support decision-makers at the provincial level (focus on Sindh) to develop, test and evaluate models that use social protection programmes to adapt livelihoods and ecosystems to climate change.
- Support selected actors with applying for climate and/or disaster risk finance, which can enhance adaptive social protection.

3.3 Mainstreaming

Environmental protection & climate change

As an indirect environmental result, the action will support measures to develop models that use social protection programmes to adapt livelihoods, which are expected to have a positive influence on the design of national climate and environmental policies, strategies and measures. The action also ensures careful planning, environmental impact assessments and the integration of environmental protection measures for the development of these models to avoid negative impacts.

Outcomes of the strategic environmental assessment (SEA) screening (relevant for budget support and strategic-level interventions)

The SEA screening concluded that no further action was required.

Outcomes of the environmental impact assessment (EIA) screening (relevant for projects and/or specific interventions within a project)

The EIA screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design)

Outcome of the climate risk assessment (CRA) screening (relevant for projects and/or specific interventions within a project)

The CRA screening concluded that this action is no or low risk (no need for further assessment)

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in Section 1.1, this action is labelled as G1. This implies that a significant focus of the action is on improving women's access to social protection schemes. By engaging with BISP, the action supports a programme that is already contributing to the reduction of existing gender-specific inequalities since women are the primary recipients of cash transfers. This has positive implications for strengthening their role within their households. In addition, educational opportunities and access to health services for girls in the recipient households are supported with additional transfers that are linked to the use of these services. With the expansion of mobile/dynamic registration, the action helps to overcome physical and normative access barriers that women face. The introduction of access to regular bank accounts and the improvement of their financial literacy will provide poor and vulnerable women access to financial services. This promotes their social and economic decision-making power, which can have a transformative impact within Pakistan's patriarchal social structures.

Human rights

The action is likely to make a positive contribution to the realisation of fundamental human rights. Social protection is a right enshrined in the Universal Declaration of Human Rights and several subsequent conventions, including the Convention on the Rights of the Child (CRC), the Convention on the Rights of Persons with Disabilities and the Convention on the Elimination of All Forms of Discrimination against Women. It is a powerful policy tool to combat discrimination and an essential instrument for reducing poverty and promoting social inclusion. It aims to provide income security and support for all at every stage of life, with particular attention to the poorest and most marginalised. Activities under the action will contribute to build a conducive environment for the realisation of socio-economic rights. Discrimination with respect to access to services and the right to a secure healthy life can be addressed by the action through influencing the adoption of inclusive and uniform approaches. Knowledge and information products

developed under the action can address issues of exclusion by bringing to light the successes and rights-based inclusion of vulnerable and marginalised communities.

Disability

As per the OECD Disability DAC codes identified in Section 1.1, this action is labelled as D1. This implies that people with disabilities are a particularly important group among the target populations of social protection interventions. Their needs will therefore be taken into consideration during implementation.

Reduction of inequalities

This action is labelled as I1. Issues of access and quality of social protection services along with lack of economic opportunities and inequitable growth are adding to the social and economic deprivation of people, thus leading to exclusion and marginalisation. The action can address disparities between rural and urban areas and the population's social protection needs. In addition to securing livelihoods for poor and vulnerable groups, adaptive social protection measures supported by the action enable households to invest in education, health and productive physical capital in the medium to long term, and, in so doing, to become economically productive. They also protect target groups against the economic impacts of individual and collective risks (disease, floods, and drought). The action aims to improve access for the population, particularly women, to needs-based social protection benefits and therefore helps step up their social and economic inclusion and participation. The dynamic nature of the social register helps ensure that those who are eligible receive prompt, demand-based support.

Democracy

The action contributes to delivering on the national and provincial social protection strategies by supporting the development of shock-responsive instruments at federal and provincial levels for vulnerable people, increasing coordination between federal and provincial governments and creating synergies between interventions under social protection, climate change and DRM, thereby improving the overall governance structure of adaptive social protection. The action can have a direct bearing on socio-economic participation by adopting inclusive approaches and mainstreaming marginalised groups including young people, women and minorities. Political participation can be indirectly enhanced by addressing socio-economic exclusion, which in turn can positively influence and increase participation in governance processes.

Conflict sensitivity, peace and resilience

The action addresses some of the risks of instability, notably an uncertain economic outlook and climate change. By ensuring the basic needs of the population, improving their social protection against individual and collective risks, enhancing livelihoods and socio-economic perspectives and reducing inequalities, the action contributes to creating a framework for peaceful and inclusive development, as well as greater social cohesion and stability. Effective implementation of social protection programmes at all levels of government can increase the legitimacy of the state administration and promote a positive state-society relationship. With its focus on adaptive social protection, the action unlocks potential for improved crisis prevention and preparedness – also strengthening the conditions for peaceful and inclusive development.

Disaster risk reduction

Persisting poverty and the exposure to climate change and its socio-economic impacts build the foundation for the action's support to the social protection system. Pakistan has been severely affected by the extreme heat wave in spring 2022 and the subsequent flood disaster. The country will continue to face similar crises in the future. The action aims to find integrated solutions for improved forecasting, crisis response capability and long-term adaptation in the context of climate change, using the instruments of social protection in combination with the instruments of DRM and climate change adaptation. The action advises the federal government and provincial governments on designing social protection measures that strengthen the resilience of poor and vulnerable populations, especially women, to climate change and sudden-onset natural hazards. The action may leverage synergies with other bilateral and global interventions (e.g. Global Alliances for Social Protection, Global Accelerator on Jobs and Social Protection for Just Transitions and Global Shield Against Climate Risks, Global Initiative for DRM).

Other considerations if relevant

The action will also address **root causes of migration and forced displacement** due to climate shocks by seeking to minimise adverse drivers and providing alternatives. This consists mainly in strengthening the adaptive capacities and

enhancing the resilience of the poorest and most vulnerable household and communities to the impact of a crisis with a focus on those most at risk of displacement due to climate-related shocks. This includes different, complementary measures, i.e. extending and improving their social protection coverage, promoting their economic inclusion through complementary measures (e.g. financial inclusion, livelihoods opportunities) and mitigating the impacts of climate change and environmental degradation.

3.4 Risks and lessons learnt

Category	Risks	Likelihood (high/ medium/ low)	Impact (high/ medium/ low)	Mitigating measures
Planning, processes and systems	Potential escalation of political rivalries between the federal and provincial governments, impacting cooperation	Low	High	The independence of each province as a separate entity will be respected while the action will work to ensure cooperation is established under relevant government agencies and policies to ensure coordination and continuity of interventions.
People and the organisation	Administrative constraints and political and/or institutional self-interest hindering cooperation mechanisms at federal and provincial levels	Low	Medium	The action will work with a diverse set of actors including federal and provincial agencies, which allows flexibility choosing partnerships. Continuous engagement and peer learning will also contribute to address this shortcoming.
External environment	Security concerns associated with fragile contexts which could temporarily restrict regional access	High	Low	The action will work with grassroots organisations, field formations of government programmes and a significant number of national staff from different regions to ensure continuous access to targeted areas.
Planning, processes and systems	Shortage of qualified staff and persisting high degree of staff turnover in responsible institutions	High	Medium	The action will continuously support capacity development on an ongoing basis.
Planning, processes and systems	Growing fiscal deficit increasing the risk of insufficient financing for BISP and other social protection programmes	Low	High	Social protection programmes (e.g. BISP) which will be used as primary vehicle to achieve objectives are supported by the World Bank, ADB. The IMF continues to place an emphasis on the importance of these instruments as part of its conditionalities. The action will explore how the use of alternative financing possibilities such as the Global Shield and other initiatives can be institutionalised to make the social

				protection system shock responsive and sustainable.
Legality and regularity aspects	Corruption risks, especially in large-scale social protection programmes which may lead to misuse of funds or misappropriation	Low	Medium	The action will make use of well-established instruments supported by international development / implementing partners which have adequate oversight and internal control mechanism.

Lessons learnt:

Based on current and past intervention supporting the Pakistani federal government and provinces in the area of social protection, a number of lessons have emerged that informed the design of the action. This includes a need to focus on the following strategic aspects:

- **Integrated approach.** The main thrust of social protection since 2008 has been on poverty-targeted cash transfers. A holistic approach to address drivers of poverty and inequality is required, including ‘cash plus’ interventions build human capital (health, nutrition, education) and individuals’ capacities to effectively participate in the labour market. Equally important is the development of contributory social protection schemes that eventually can be available along the lifecycle such as unemployment benefits, disability benefits and pension schemes. To ensure the sustainability of the social protection system it is essential to systematically link cash transfer programmes to successful graduation initiatives including sustainable livelihoods and to gradually help develop social security schemes for working age individuals. Outputs 5 and 1 were designed to address this gap.
- **Enhanced sector coordination.** Bodies working in social protection do not sufficiently coordinate their activities. Government efforts to organise the various actors has not yet delivered the desired results. Development partners’ support is also partially fragmented. The action will support BISP and MoPASS in establishing and strengthening both social protection coordination groups as well as technical working groups to develop a transparent and collaborative environment. These groups will specifically highlight the nexus of social protection, DRM and climate change. This will mainly be addressed under Output 1.
- **Ownership and scalability.** Pakistan is a lower-middle income country with limited institutional capacities (human and capital). This requires continuous support on capacity development, with an emphasis on systemic change. Climate change and natural disasters are not areas where the present social protection system holds sufficient capacities to conceptualise and plan appropriate interventions. Considering the multi-sectoral approach of adaptive social protection, it will be essential to ensure that the interventions – especially models for testing, are anchored in institutions with the relevant mandate and accountability set-up (both at federal and provincial levels) and ensure that the pre-conditions for success including financing can be replicated and scaled-up by the government(s). This approach to sustainability will be inbuilt from the start of the action, notably linkages with financing instruments. Outputs 1, 4 and 5 were designed to address this gap.
- **Institutionalisation of change.** Ongoing work on digital solutions for social protection in several countries undertaken by Member States (Germany) and development partners (World Bank, Asian Development Bank) suggest that that initiatives around digitalisation must be bottom-up with continuous technical backstopping, iteration for optimisation of solutions and capacity development. Many solutions are provided to governments without adequate support to ensure that the system becomes a part of organisational routines. These lessons learnt will be incorporated under Output 3 to provide long-term support to Pakistani institutions to make new technologies provided under the action part of their everyday functioning.

3.5 The intervention logic

The underlying intervention logic of the action is that:

IF the institutional, technical and financial capacities of the competent authorities to develop and implement adaptive social protection are improved bringing together in a coordinated manner social protection, DRM and climate change adaptation at different levels (federal, line ministries and other competent authorities and stakeholders) (Output 1)

IF the involvement of women and vulnerable communities in climate change-adaptive social protection programmes is increased (Output 2)

IF the tools and procedures for regular data exchange between NSER and other social protection, disaster management and climate change adaptation institutions are improved (Output 3)

IF the institutional capacities to use social protection in anticipatory and reactive disaster management, including the analysis of incremental and sudden climate change risks and the use of disaster risk financing instruments are increased (Output 4)

AND IF the availability of evidence-based innovative approaches to using social protection programmes for climate change adaptation (Output 5)

THEN the effectiveness and sustainability of the social protection system in Pakistan from an adaptive and gender-transformative approach, with a focus on provinces most prone to natural disasters and other climate-related shocks, will be increased (Outcome) AND the long-term social and economic resilience of Pakistani populations will be strengthened.

PROVIDED THAT competent authorities and decision-makers remain interested in enhancing their climate resilient policies and practices (Assumption 1) and the budgetary availability maintains its current trends, without additional cuts or adjustments (Assumption 2).

3.6 Logical framework matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at the contracting stage. If baselines and targets are not available for the action, they should be notified for each indicator on signature of the contract(s) linked to this action document, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the output and outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation arrangements for this action. The activities, the expected outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action without an amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To increase the social and economic resilience of Pakistan to the impacts of climate change.	<ol style="list-style-type: none"> Proportion of the population covered by social protection floors/systems (SDG 1.3.1, GAP III) Social protection expenditure as percentage of GDP in Pakistan (OPSYS indicator) Environmental Performance Index for Pakistan (MIP Indicator*) Number of deaths, missing persons and directly affected persons attributed to disasters per 100 000 population (SDG Indicator 1.5.1/11.5.1/13.1.1) 	<ol style="list-style-type: none"> 9.2% (2022) c.1% (2022/23) 24.60 (2022) TBC (2024) 	<ol style="list-style-type: none"> TBD at the start of the action TBD at the start of the action TBD at the start of the action TBD at the start of the action 	<ol style="list-style-type: none"> ILO reports Federal/provincial budgets, ILO reports Environment Performance Index NDMA/PDMA reports; UNSTATS 	<i>Not applicable</i>
Outcome	To increase the effectiveness and sustainability of the social protection system in Pakistan from an adaptive and gender-transformative approach, with a focus on provinces most prone to natural disasters and other climate-related shocks, such as Sindh.	<ol style="list-style-type: none"> 1.1. Number of records of BISP recipient households updated in the dynamic NSER. <i>Disaggregated by sex, region and type of vulnerability.</i> 1.2. Number of people with access to financial services with the support of the EU (GERF 2.17). <i>Disaggregated by sex and region.</i> 1.3. Number of relevant national and/or sub-national institutions with social protection competencies that use climate and disaggregated data to inform planning and programming. <i>Disaggregated by region.</i> 1.4. Volume of resources received by provincial authorities from international climate finance instruments. <i>Disaggregated by region.</i> 	<ol style="list-style-type: none"> 1.1. 1.5 million (2024) 1.2. 0 (2.5 million BISP recipients use debit cards not linked to a bank account (2024)) 1.3. 0 (2024) 1.4. 0 (2024) 	<ol style="list-style-type: none"> 1.1. x out of which y are in Sindh (TBD at the start of the action) 1.2. x out of which y are in Sindh (TBD at the start of the action) 1.3. x (TBC at the start of the action) 1.4. x (TBC at the start of the action) 	<ol style="list-style-type: none"> 1.1. NSER/BISP data 1.2. BISP data and annual evaluation reports. 1.3. Progress report of EU-funded intervention 1.4. Federal/provincial budgets 	<p><i>The political and institutional environment remains stable, as well as the relations between the federal and provincial authorities.</i></p> <p><i>Pakistan remains solvent and public budgets have a minimum of fiscal leeway for social protection.</i></p> <p><i>Decision-makers and competent institutions keep committed to improving the current policy and operational framework to encourage an adaptive and sustainable social protection system.</i></p>

<p>Output 1</p>	<p>Increased institutional, technical and financial capacities of the competent authorities to develop and implement adaptive social protection bringing together in a coordinated manner social protection, disaster management and climate change adaptation actors at different levels.</p>	<p>1.1.1. Number of policy documents (briefs, advisory documents) governing social protection at the federal and provincial levels that have been drafted with the support of the EU. <i>Disaggregated by governmental level.</i></p> <p>1.1.2. Guidelines on strengthening the institutional and financial foundations of the social protection system to adapt to climate change are available for relevant stakeholders from social protection, climate change and DRM at federal and provincial levels.</p> <p>1.1.3. Frequency of the inter-ministerial dialogues that have been organised with the support of the intervention to validate the findings of the three technical working groups on financing, data-sharing and anticipatory action.</p> <p>1.1.4. Number of people, staff of the competent authorities and/or other key stakeholders, who have increased their knowledge on social protection management, DRM and climate adaptation and climate finance. <i>Disaggregated by sex, type of stakeholder and region.</i></p>	<p>1.1.1. 0 (a draft social protection policy note in Sindh) (2024)</p> <p>1.1.1. Draft social protection policy note in Sindh (2024)</p> <p>1.1.2. No guidelines (2024)</p> <p>1.1.3. The first annual inter-ministerial dialogue took place in May 2023. Working groups are not yet active) (2024)</p> <p>1.1.4 0</p>	<p>1.1.1. At least three policy notes (in Sindh and federal)</p> <p>1.1. 2. Adoption of guidelines</p> <p>1.1.3. Annual inter-ministerial dialogues and validation of findings</p> <p>1.1.4. x (TBD at the start of the action)</p>	<p>1.1.1. Progress report of the EU-funded intervention</p> <p>1.1.2. Progress report of the EU-funded intervention</p> <p>1.1.3. Minutes of meetings (working groups and annual inter-ministerial dialogues).</p> <p>1.1.4. Progress report of the EU-funded intervention</p>	<p><i>Political actors and managers in the sector are willing to cooperate at the national level and with the provinces, despite sometimes conflicting political preferences, and a joint dialogue to identify suitable risk financing instruments is possible.</i></p> <p><i>The available disaster and climate risk data provide sufficient information for the planning and financing of adaptive social protection programmes.</i></p>
<p>Output 2</p>	<p>Improved methods, tools and systems to target the hard-to-reach including women and vulnerable communities with adaptive social protection programmes for climate change.</p>	<p>2.1.1. Number of women, beneficiaries of BISP, who have increased their financial literacy level and/or their digital skills.</p> <p>2.1.2. Number of new NSER registration systems for dynamic inclusion that are available at local level with the support of the EU.</p>	<p>2.1.1 0 (trainings not yet implemented) (2024)</p> <p>2.1.2 0 (registration can currently take place only at the tehsil (sub-district)</p>	<p>2.2.1. x out of which y are in Sindh (TBD at the start of the action)</p> <p>2.1.3. x tehsils out of y are in Sindh (TBD at the start of the action)</p>	<p>2.1.2. BISP annual evaluation reports</p> <p>2.1.3. NSER data</p> <p>2.1.4. Progress report of the EU-funded intervention</p>	<p><i>The security situation permits expansion of the mobile registration system in remote regions.</i></p> <p><i>Idem as above</i></p>

		2.1.3. Number of new administrative data systems that have been integrated into NSER with the support of the EU	administrative centre) (2024) 2.1.3 0 (2024)	2.1.4. x (TBD at the start of the action)		
Output 3	Improved tools and procedures for regular data exchange between NSER and other institutions of social protection, disaster management and climate change adaptation	<p>3.1.1. Procedure for the automatic exchange of data between NSER and social protection data systems of provincial government.</p> <p>3.1.2 Number of national and/or sub-national authorities that have tested evidence-based solutions for the continuous and automatic exchange of data from social registries and social protection databases between federal and provincial levels. <i>Disaggregated by governmental level.</i></p> <p>3.1.3 Number of plans and SOPs that have been designed for the exchange of NSER data with climate and disaster risk data with the support of the EU</p> <p>3.1.4 Number of relevant institutions with improved tools and/or methodologies to collect and analyse relevant data on selected climate and natural risks and on the exposure and vulnerability of the population. <i>Disaggregated by governmental level</i></p>	<p>3.1.1. No procedures developed (2024)</p> <p>3.1.2. 0 (2024)</p> <p>3.1.3 No plan available (2024)</p> <p>3.1.4. 0 (2024)</p>	<p>3.1.1. 1 procedure adopted</p> <p>3.1.2. x (TBD at the start of the action)</p> <p>3.1.3. x (TBD at the start of the action)</p> <p>3.1.3. 2 plans for data pooling</p> <p>3.1.4. x (TBD at the start of the action)</p>	<p>3.1.1: Progress report of the EU-funded intervention</p> <p>3.1.1: Progress report of the EU-funded intervention</p> <p>3.1.3 Progress report of the EU-funded intervention</p> <p>3.1.4 Progress report of the EU-funded intervention</p>	<i>Idem as above</i>
Output 4	Increased institutional capacities to use social protection in anticipatory and reactive disaster management, including the analysis of incremental and sudden climate change risks and the use of disaster risk financing instruments	<p>4.1.1. Number of key stakeholders who have learned how to use the operational guidelines and SOPs for disaster management, including the use of rapidly accessible financing instruments in the event of a crisis.</p> <p>4.1.2. Number of provincial authorities that have acquired better information and tools to increase coverage to women and vulnerable populations for climate change adaptation.</p>	<p>4.1.1 0 government officials trained on guidelines and SOPs</p> <p>4.1.2. 0</p> <p>4.1.3. 0</p>	<p>4.1.1. TBC</p> <p>4.1.2 x (TBC at the start of the action)</p> <p>4.1.3. x government officials trained (TBC by at the start of the action)</p>	<p>4.1.1: Progress report of the EU-funded intervention</p> <p>4.1.2: Progress report of the EU-funded intervention</p> <p>4.1.3: Progress report of the EU-funded intervention</p>	<i>Idem as above</i>

		4.1.3. Number of people, staff of relevant authorities at the federal and provincial levels, with improved knowledge to identify disaster risk financing options, taking account provincial and national budgets. <i>Disaggregated by sex and/or governmental level</i>				
Output 5	Increased availability of evidence-based innovative approaches to using social protection programmes for climate change adaptation.	<p>5.1.1. Number of relevant experiences of sustainable livelihood programmes for poor households facing climate change that have been identified and disseminated with the support of the EU</p> <p>5.1.2. Number of models for using adaptive social protection programmes (inclusive and sensitive to gender) to enhance livelihoods initiatives jointly developed by relevant actors and successfully piloted to adapt livelihoods and ecosystems to climate change.</p> <p>5.1.3. Number of people benefiting from the adaptive social protection models developed and tested with the support of the EU. <i>Disaggregated by sex and region</i></p>	<p>5.1.1. 0 (2024)</p> <p>5.1.2 No model (2024)</p> <p>5.1.3. 0 (2024)</p>	<p>5.1.1. x (TBC at the start of the action)</p> <p>5.1.2. x (TBC) models of which at least one is for rehabilitation of internally displaced people</p> <p>5.1.3. x (TBD at the start of the action)</p>	<p>5.1.1. Progress report of the EU-funded intervention</p> <p>5.1.2. Progress report of the EU-funded intervention</p> <p>5.1.3. Progress report of the EU-funded intervention</p>	<i>Idem as above</i>

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing agreement

It is not envisaged to conclude a financing agreement with the partner country to implement this action.

4.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in Section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date the Commission adopts this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases.

4.3 Implementation arrangements

The Commission will ensure that the EU rules and procedures for providing financing to third parties are followed, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Indirect management with an entrusted organisation

This action may be implemented via indirect management, under a Team Europe approach, with an organisation that will be selected by the Commission using the following criteria:

- technical expertise and experience working in the areas of adaptive social protection – including social protection, climate change and/or disaster risk management;
- capacity and presence in the geographical areas where the action is being implemented;
- established partnerships and access working with federal and provincial government(s) in the areas of adaptive social protection;
- established networks with civil society and grassroots organisations active in the areas of adaptive social protection;
- sufficient operational and financial absorption capacity to manage large technical assistance inputs and strengthened platforms for sector policy dialogue, in close collaboration with the EU Delegation.

Implementation by this organisation entails delivering on the specific objective (outcome) and related 5 outputs of the action while ensuring results-based monitoring and reporting.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances

If the envisaged implementation arrangement (indirect management) cannot be implemented due to circumstances outside of the Commission's control, the action will be implemented through: Grant(s): direct management. The selection criteria will be the same than those mentioned for indirect management with an entrusted organisation (see Section 4.3.1.)

(a) Purpose of the grant(s)

- To deliver on the specific objective (outcome) and related five outputs of the action.

(b) Types of applicants targeted

- International organisations

4.4. Scope of geographical eligibility for procurement and grants

Geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased, as established in the basic act and set out in the relevant contractual documents, applies.

The Commission's responsible authorising officer may extend the geographical eligibility in urgent cases, case where the services are unavailable in the markets of the countries or territories concerned, or in other duly substantiated cases where applying the eligibility rules would make it impossible or exceedingly difficult to carry out this action (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative budget

Indicative budget components	EU contribution (amount in EUR)
Implementation arrangements – see Section 4.3.	
Objective: To enhance the institutional, financial and technical conditions for implementing adaptive and gender-transformative social protection in Pakistan are enhanced.	
Indirect management with an entrusted organisation – see Section 4.3.1.	15 000 000
Evaluation – see Section 5.2 Audit – see Section 5.3	May be covered under another decision
Totals	15 000 000

4.6. Organisational set-up and responsibilities

Given the multi-stakeholder nature of the action, appropriate steering structures will be established at the federal and provincial levels, including in Sindh. They will provide general direction and monitor progress under key parameters throughout the action's implementation to ensure that targets are being met. In addition, multi-stakeholder implementation teams will be established to undertake activities within their respective areas. They will comprise members from key government authorities, members of civil society organisations and implementing partners. The implementation teams and the steering structures will be supported by the organisation entrusted with implementing the action (identified in Section 4.4) to ensure continuous progress and compliance with rules and regulations governing the overall intervention.

As part of its prerogative of budget implementation and to safeguard the financial interests of the EU, the Commission may participate in the above-mentioned governance structures set up for governing the action's implementation and may sign or enter into joint declarations or statements, for the purpose of increasing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4.7 Pre-conditions

Ownership, leadership and buy-in from relevant stakeholders at both the federal and provincial levels are crucial. This involves active engagement and consultation with governmental bodies, local authorities, and other key players to garner support, alignment, and commitment to the project's goals. In parallel, their capacity should be built to ensure leadership and ownership of reform processes.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and forms part of the implementing partner's responsibilities. To this end, the implementing partner must establish a permanent internal, technical and financial monitoring system for the action and produce regular progress reports

(at least annually) and final reports. Every report must provide an accurate account of the action's implementation, the difficulties encountered, the changes introduced, and how far its results were achieved (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project arrangement) and the partner's strategy, policy or reform action plan list (for budget support).

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

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partner (identified in Section 4.4.4) will be responsible for the monitoring and reporting on indicators of the logframe matrix on an annual basis at the very least. This includes the collection of baselines and data (on an annual basis for the latter). The implementation teams referred to in Section 4.7 at provincial and federal level will prepare periodic progress reports which will be compiled and shared with relevant stakeholders. The reports will be consolidated by implementing partners on an annual basis.

5.2 Evaluation

A final evaluation will be carried out for this action or its components, taking into account the action type, by independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), and will specifically address the EU's engagement at strategic level in the sector with the government and the promotion of a system-oriented approach, as called for in the 2012 Communication on Social Protection in EU Development Cooperation.

The Commission will inform the implementing partner(s) of the dates planned for the evaluation mission at least 3 months in advance. The implementing partner(s) must collaborate efficiently and effectively with the evaluation experts and, among other things, provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination²⁷. The implementing partner and the Commission will analyse the evaluations' conclusions and recommendations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation may be covered by another measure constituting a financing decision.

5.3 Audit and verifications

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

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 document entitled '[Communicating and Raising EU Visibility: Guidance for External Actions](#)', it will remain a contractual obligation for all organisations implementing EU-funded external actions to inform the relevant audiences of the EU's support for their work by displaying the EU emblem and, as appropriate, a short funding statement on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries,

²⁷ See best [practice of evaluation dissemination](#).

service providers, grant beneficiaries or entrusted or delegated organisations such as UN agencies, international financial institutions and agencies of EU Member States.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in cooperation facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A primary intervention²⁸ (project/programme) is a coherent set of activities and results structured in a logical framework aiming to deliver development change or progress. Identifying the level of the primary intervention will allow for:

- articulating actions or contracts according to an expected chain of results, therefore allowing them to ensure efficient monitoring and reporting of performance;
- differentiating these actions or contracts from those that do not produce direct reportable development results, defined as support organisations (i.e. audits, evaluations);
- having a complete and exhaustive mapping of all results-bearing actions and contracts.

Primary interventions are identified when each action is action by the responsible department (Delegation or headquarters operational unit).

The level of the primary intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for this action identifies as (tick one of the four following options);

Action level (i.e. budget support, blending)		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action(s)>
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	On contract (indirect management with the organisation, to be selected in accordance with the criteria set out in Section 4.3.1 above)
<input type="checkbox"/>	Single Contract 2	<planned individual legal commitment (or contract)>
<input type="checkbox"/>	(...)	
Group of contracts level (i.e. series of programme estimates, cases in which an action includes, e.g. four contracts, two of which, a technical assistance contract and a contribution agreement, are aiming to fulfil the same objectives and complement each other)		
<input type="checkbox"/>	Group of contracts 1	<planned individual legal commitment (or contract) 1> <planned individual legal commitment (or contract) 2> <planned individual legal commitment (or contract) #>

²⁸ For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including 'Action' and 'Intervention' where an 'Action' is the content (or part of the content) of a Commission financing Decision and 'Intervention' is a coherent set of activities and results, constituting an effective level for the Commission's operational follow-up of its operations on the ground. See more on the [concept of intervention](#).