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ANNEX I

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Islamic Republic of Pakistan for 2023

Action Document for Post-floods resilient recovery and strengthening of the livestock sector in Balochistan

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

<p>1. Title CRIS/OPSYS business reference Basic Act</p>	<p>Post-floods resilient recovery and strengthening of the livestock sector in Balochistan OPSYS number: ACT-61902 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)</p>
<p>2. Team Europe Initiative</p>	<p>Yes Pakistan: Building Back Better through Green Jobs Creation</p>
<p>3. Zone benefiting from the action</p>	<p>The action shall be carried out in Pakistan, Balochistan province</p>
<p>4. Programming document</p>	<p>Multi-annual indicative programme for Pakistan 2021-2027</p>
<p>5. Link with relevant MIP(s) objectives / expected results</p>	<p>Green Inclusive Growth - Private sector development Objective a1: Sustainable growth of SMEs (Small and medium-sized enterprises) and MSMEs (micro-, small and medium-sized enterprises) in Pakistan Objective a2: To improve the performance of agribusiness and its integration into local and regional value chains Expected result: Under Objective a1 (Business environment) a.1.1. Improved policy, regulatory, institutional and infrastructural framework, including environmental compliance, for private sector development a.1.2 Increased compliance with instituted rules and regulations by SMEs and MSMEs Under Objective a.2 (Development of Value-Added Chains) a.2.1 Increased value addition by agricultural producers, entrepreneurs and businesses in selected value chains</p>

	a.2.2 Improved availability and accessibility of appropriate agricultural value chains support services, including input supply, marketing and financial services.			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area, sectors	321 - Small and medium-sized enterprises development			
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 1 – No poverty Other significant SDGs (up to 9) and where appropriate, targets: SDG 2 – Zero Hunger SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth SDG 10 – Reduced Inequalities SDG 12 – Responsible Consumption and Production SDG 13 – Climate Action			
8 a) DAC codes	DAC 321130 – Small and medium-sized enterprises development 50% DAC 311163 – Agriculture 30% DAC 43040 – Rural Development 20%			
8 b) Main Delivery Channel	Other UN (core contribution reportable in part) – 41300 Developing country-based NGO- 23000			
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 checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	/
	digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
digital connectivity	YES <input type="checkbox"/>	NO <input checked="" 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	<p>Budget line(s) (article, item): 14 02 01 31(NDICI South and East Asia)</p> <p>Total estimated cost: EUR 32 675 000</p> <p>Total amount of EU budget contribution: EUR 32 000 000</p> <p>Total amount of other contribution: EUR 675 000</p> <p>The action is part of the TEI Building Back Better through Green Jobs Creation, complementing ongoing initiatives in the province by Germany (strengthening climate adaption and resilience, including energy efficiency), and Italy (agricultural value chains).</p>			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	<p>Direct management through:</p> <p>- Grants</p> <p>Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.4</p>			

1.2 Summary of the action

This action responds to some of the most urgent challenges facing the Pakistani population following the devastating flooding occurred in July-August 2022, leading to a severe humanitarian, economic and food crisis.

The proposed programme contributes to respond to the reconstruction and recovery needs in Balochistan, which is one of the most affected areas, tackling the economic crisis, creating new income generating activities for

women, supporting the husbandry sector and improving the resilience to the climate change of the local population. The action will address these issues by intervening at various levels:

1. Meso level (institutional capacity building of intermediary institutions, e.g., provincial government bodies, private sector business associations, chambers of commerce and SMEs for quality improvement);
2. Micro level (direct interaction with the Business Intermediary Organisations (BIOs) and Small and Medium Enterprises in the targeted sectors of value chain.

The overall objective is to contribute to post 2022 floods climate-resilient socioeconomic recovery in the most affected and poorest districts of Balochistan province based on “building back better” to foster resilience to climate change and economic shocks.

The action is proposed to be implemented in Balochistan province, building upon community mobilisation and rural development projects already funded in the province by the EU. Within the province districts, the programme will target districts relatively safe and stable, and where the EU has already established a presence.

The proposed programme contributes to MIP’s priority area 1 - Green Inclusive Growth, focusing specifically on objectives 1 – To support the sustainable growth of MSMEs in Pakistan, and 2 – To improve the performance, inclusiveness and sustainability of agribusiness and its integration into local and regional value chains. The bulk of the project activities will increase the value added by agricultural producers, entrepreneurs and businesses in sustainable livestock value chains and improve the availability and accessibility of support services. The action will particularly enhance women’s as well as other rights-holders’ (the most vulnerable population groups’) access to economic opportunities, thereby contributing to the reduction of inequalities. It aligns with the EU-Pakistan Strategic Engagement Plan (2019) and responds to the UN 2030 Agenda for Sustainable Development (2015). The action is part of the Team Europe Initiative (TEI) “Building Back Better through Green Jobs Creation”¹ and contributes to the Global Gateway supporting SMEs, farmers and development of sustainable value chains, and complementing the ongoing intervention in the province by the Agenzia Italiana per la Cooperazione allo Sviluppo (AICS) to support the development of an olive oil value chain.

The action also meets the objectives of the New European Consensus on Development, in particular priorities 2.2 and 2.3, which cover access to quality jobs for young people and private sector development. It is designed to contribute to SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 5 – Gender Equality, SDG 7 – Affordable and Clean Energy, SDG 8 – Decent Work, SDG 10 – Reduced Inequalities and SDG 13 – Climate Action.

2 RATIONALE

2.1 Context

Pakistan is the 5th most populated country in the world, with a rapidly growing population of 231 million (2021 WB) and an annual per capita income of USD 1,505 (2021, WB), i.e. EUR 1,355. Nearly 39% (2018, MPI, UNDP) of Pakistanis live in multidimensional poverty, with the highest rates of poverty in the provinces of Khyber Pakhtunkhwa and Balochistan, and a constant 25% of the population has not had access to electricity for the last two decades. Pakistan is placed 8th among the most affected countries by extreme weather events from 2000 to 2019 (Global Climate Risk Index 2021), and it is also a major country of origin, transit and destination of refugees and migrants. Women’s situation remains a challenge with the country ranked 145 out of 156 countries for economic participation and opportunity according to the Global Gender Gap Index (GGGI) 2022 and the second worst country in the world in terms of gender parity (according to the 2022 World Economic Forum’s Global Gender Gap Index report). In parallel, the increasing youth bulge provides the country with a potential demographic dividend while at the same time representing a challenge in terms of employment and service provision.

After the COVID-19 pandemic, which resulted in a real GDP contraction of 1.3% in 2020, Pakistan suffered in 2022 the worst floods in its history. The floods put under water 75,000 square kilometres, affected 33 million

people, took the lives of 1,712, and damaged or destroyed 2.2 million houses in 94 calamity-hit districts (out of a total of 170 districts in the country). As a result, estimates indicate an increase in multidimensional poverty from 37.8% to 43.7%, meaning that an additional 1.9 million households (around 12.1 million people) will be pushed into multidimensional poverty, experiencing significantly increased deprivations in access to adequate health, sanitation, maternal care, electricity, as well as loss of assets.

Floods left an adverse gender-specific impact in areas such as women's health and wellbeing. A Protection Analysis Update in October 2022 reported high rates of vulnerability among girls and women nationwide as a result of the impacts of the floods on basic services. The floods reduced available support services in a context of increased demand for them. Heightened tensions, fear and uncertainty coupled with loss of income might be leading to increased violence against women and girls.

The EU reacted immediately to the floods starting with a Declaration of Crisis approved on 17 October 2022 and covering retroactively from 1 October 2022 to 30 June 2023. In response to the dire humanitarian situation, the EU and its Member States mobilised EUR 215 million by March 2023. The EU took also a major role – in close coordination with Asian Development Bank, World Bank, and the United Nations system – in support to the Government of Pakistan to complete in a record time the Post Disaster Needs Assessment (PDNA) and the subsequent Resilient Recovery, Rehabilitation and Reconstruction Framework (4RF).

Balochistan, the province with the existing highest poverty rate (42.2 %), and as one of the three provinces most adversely affected by the flooding, accounted for, according to the PDNA report, 11% of national damages, 16.5% losses and 14% of the needs. There was an estimated consequential increase in the provincial poverty rate of between 7.5% to 7.7% with impact on the household welfare resulting from: (i) loss of household income and employment/livelihoods due to destroyed harvest, livestock killed, or inactivity of businesses; (ii) loss of assets, including homes, livestock, production equipment, and household effects; (iii) rising food prices due to shortages of food arising from lost food stocks and poor harvests; and (iv) loss of human capital, given the significant threat of disease outbreaks and food shortages, and prolonged school closures, with attendant learning losses.

The Integrated Food Security Phase Classification (IPC) Acute Food Insecurity analysis² from July – August 2022 showed a high prevalence of food insecurity, malnutrition and poverty in 12 rural districts of Balochistan. In the first half of 2022, the Baluch population faced multiple shocks including high food and fuel prices, drought and flooding, livestock diseases, as well as resultant reduced employment opportunities. The impact of the floods exacerbated already existing inequalities. Several rights-holders (population groups in vulnerable situations) such as women and girls, children and persons with disabilities have been negatively impacted due to their limited access and availability to social protection and coping mechanisms.

The agriculture sector (including livestock and fisheries) plays an important role for the country (responsible for more than a fifth of GDP contribution (22.7% in 2021) and employing 68% of Pakistan's workforce). In Balochistan, in particular, the present action would support the recovery and reconstruction of one the most important economic sectors such as the livestock sector.

The overall decline in GDP as a direct impact of the floods is projected to be around 2.2% of FY22 GDP³. Among the major sectors, agriculture sector value added is projected to decline the most at 0.9% of FY22 GDP, with floods causing the most losses to cotton, dates, sugarcane, and rice crops. Around one million livestock (excluding poultry) are estimated to have perished. Furthermore, damage in the agricultural sector is expected to have spill-over multiplier effects on the industry and services sectors. Similarly, the local food processing and slaughtering industries will be negatively impacted by the expected reduction in food harvests and reduced supply of livestock⁴. Industry sector value added is consequently expected to shrink by 0.7% of FY22 GDP. Similarly, lower agricultural and industrial activity are likely to weigh on wholesale and transportation services activities, which account for around half of the service sector output.

² <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156103/?iso3=PAK>

³ Nominal GDP at market prices for FY22 (PKR 66.9 trillion)

⁴ Dawn (2022) Pakistan needs at least \$16.3bn for post-flood rehab: report, October 29

Under the Resilient Recovery, Rehabilitation and Reconstruction Framework the Government of Balochistan is envisaging to scale up the provision of livestock feed, fodder, veterinary drugs, and restocking of small animals, especially targeting women and the most vulnerable households. In the medium to longer term, various capacity-building trainings would be conducted with small and medium farmers and livestock keepers on risk mitigation practices, such as support to eco-friendly and climate smart agriculture and livestock rearing, according to the government assessment. The projects will promote the awareness and developing standardised weather and holistic hazard index-based insurance systems for crops and livestock that target smallholders. From the EU perspective and vision, the approach would be consistent and strategically complimentary with the existing projects on range land rehabilitation with respect to fodder production and trade led development of value chain for enhanced household income opportunities.

2.2 Problem Analysis

Pakistan experienced a range of adverse weather conditions during early and mid-2022, alternating between periods of no rains, excessive heat (leading to localised drought), to excessive monsoon precipitation levels from June to August. With respect to Balochistan, precipitation exceeded seven times the average monthly precipitation between June and July 2022.

The main economic sector affected by the flooding was the agriculture sector that is the backbone of the Pakistan economy accounting for more than one fifth of the GDP, of which 14% is attributable to the livestock sector (2021-22). Animal husbandry is the most significant economic activity of rural dwellers - more than 8 million rural families are engaged in livestock production, deriving between 35-40% income. Women play a leading role in generating this income. They are responsible for 60-80% of the feeding and milking of the cattle. They cut fodder, clean sheds, milk dairy animals, process animal products and look after the health of the herd⁵.

Gross value addition of livestock has increased from PKR 5,269 billion (EUR 16.5 million) in (2020-21) to PKR 5,441 billion (EUR 17 million) in (2021-22), i.e. an increase of 3.26% (base year 2015-16). Given the significance of this sector, the Pakistan Government has renewed its livestock focus as a central rural basis for economic growth, food security, and poverty alleviation. In particular, in the Pakistan Vision 2025⁶, the government committed to increase public investment in agriculture and to target livestock owners below subsistence level to help increase their overall food security, improving technology and practices with a view to targeting and enhancing high value-added products and opportunities.

The livestock sector is a pillar of the global food system and a contributor to poverty reduction, food security and agricultural development. According to the FAO, livestock contributes 40% of the global value of agricultural output and supports the livelihoods and food and nutrition security of almost 1.3 billion people⁷. At the same time, there is wide scope to improve livestock sector practices so that they are more sustainable, more equitable, and pose less risk to animal and human health, and climate⁸. Livestock rearing is mainly dependent upon forage from rangelands. Rangelands represent a major part of the land use in Balochistan. The gross rangeland area in the province is 32.2 million ha; out of this gross area, 21 million ha (65%) is defined as grazing lands. This resource provides ecological, economic and social benefits to a large number of poor farmers. The livelihoods of local women and men mainly depend on the products and services from such lands. These rangelands support around 70% of the animal forage requirements. Despite the fact that livestock management has always been considered to be the sole responsibility of women, their involvement in decision-making regarding this area remains limited. According to Shafaq Arshad et al. (2010) age, male dominance and traditional belief system constitute the main factors which had affected the involvement of rural women in decision-making processes. However due to mismanagement and climate change the productivity, services and functions of the rangelands have dropped to 30% compared to the optimal potential. The recent floods also badly affected rangeland resources. Thus, there is urgent need to restore these degraded ecosystems as well as to develop strategic interventions to enhance women's social right in livestock sector.

⁵ Shafaq Arshad et al. 2010. Gender and decision making process in livestock management. Sarhad J. Agric 26 (4): 693-696 https://www.aup.edu.pk/sj_pdf/GENDER%20AND%20DECISION%20MAKING.pdf

⁶ <https://www.pc.gov.pk/uploads/vision2025/Pakistan-Vision-2025.pdf>

⁷ <http://www.fao.org/animal-production/en/>

⁸ Moving Towards Sustainability: The Livestock Sector and the World Bank; <https://www.worldbank.org/en/topic/agriculture/brief/moving-towards-sustainability-the-livestock-sector-and-the-world-bank>

Livestock play a major role in sustainable food systems. For example, manure is a critical source of natural fertilizer, while livestock used as draft animals can help boost productivity in regions where there is low mechanisation. Livestock are important assets for vulnerable communities, where sustainable production systems have the potential to contribute to the preservation of biodiversity and to carbon sequestration in soils and biomass⁹. In harsh environments, such as mountains and drylands, livestock is often the only way to sustainably convert natural resources into food, fibre, and work power for local communities. Increasing incomes, changing diets, and population growth have led to increased demand and made the livestock sector one of the fastest growing agricultural sub-sectors in middle- and low-income countries. This represents a major opportunity for smallholders, agribusiness, and job creators throughout the livestock supply chain. However, if not properly managed, this growth risks accentuating sustainability issues that span equity, environmental impacts, and public health¹⁰.

Poverty in Pakistan is primarily a rural phenomenon where livestock husbandry is considered a key component in alleviating poverty¹¹. The rapid growth in demand for livestock products in Pakistan is viewed as a 'food revolution'¹², as the structural shifts in world agriculture being brought about by shifts in developing-country demand for foods of animal origin will continue. Livestock products are costly in relation to staple foods, so Pakistan's consumption levels are still low, but increasing with rising incomes. Goat/sheep and particularly poultry meat consumption are growing fastest. The need for increased livestock production is pressing, given the rapidly growing demand for animal products and the important contribution of livestock to the incomes and welfare of the rural poor.

The flooding affected the livestock sector and an estimated 1 million livestock have perished¹³. The consequences are not only at farmers' level, but the local food processing and slaughtering industries will be negatively impacted by the expected reduction in food harvests and reduced supply of livestock. This is also translated in an unprecedented food and malnutrition crisis.

In particular, in Balochistan the provincial government estimated a loss of around 900,000¹⁴ of small ruminants and almost 750,000¹⁵ poultry. The province has a huge livestock resource-base, sharing 46% of national sheep, 41% of camel, and 23% of goats' population. The climate in most of the areas of Balochistan province is arid and conducive for the sheep and goat production. The migratory sheep and goat composes almost 90% of the livestock population, moving from uplands to lowlands in winter and back in summer. Since the value of small ruminants is around the 38.3% of the entire economic value, the losses are deeply affecting the Balochistan population.

Long-term policies, genetic improvements, diversified and open marketing system, credit and insurance, sustainable rangelands productivity, and proper vaccination drives are needed to enhance livestock productivity and export¹⁶. In addition, there are several factors, which constrain the productivity of animals in the province, i.e. diseases, scarcity of vegetation/forage on ranges, conservative practices by livestock farmers, and poor marketing facilities. One of the most important constraints in production has been long lasting drought that caused feed scarcity. This scarcity badly affected fertility, weight gain of animals and caused diseases and production losses. It also increased cost of production and decreased breeder's interest.

According to the EU Gender Gap Analysis of Pakistan, in 2020, 67.2% of the women workforce were employed in agriculture. The sub-sector of agriculture, livestock, poultry and dairy are the prime responsibility of rural

⁹ <http://www.fao.org/animal-production/en/>

¹⁰ <https://www.worldbank.org/en/topic/agriculture/brief/moving-towards-sustainability-the-livestock-sector-and-the-world-bank>

¹¹ Economic Survey of Pakistan, 2021-22

¹² Christopher Delgado, Mark Rosegrant, Henning Steinfeld, Simeon Ehui, Claude Courbois, *Livestock to 2020 The Next Food Revolution*, International Food Policy Research Institute (IFPRI)

¹³ Pakistan Floods 2022 Post-Disaster Needs Assessment <https://www.undp.org/pakistan/publications/pakistan-floods-2022-post-disaster-needs-assessment-pdna>

¹⁴ Including the nonproductive animal due to flooding/starvation/restlessness, source the Animal Health&Production Extension Department Balochistan Government (21/02/2023)

¹⁵ Including the nonproductive animal due to flooding/starvation/restlessness, source the Animal Health&Production Extension Department Balochistan Government (21/02/2023)

¹⁶ Dr. Afzal, et al, Food & Agriculture Organisation

women. The majority of rural women (60%) work as unpaid workers on family farms. As the agricultural sector falls in the informal sector of the economy, labour laws are not applicable to agricultural workers. Their unpaid work is valued (using comparative median wages) at PKR 683 billion, representing 57% of all work done by women, and 2.6% of GDP. However, rural women's work is more than generally estimated. Women's multidimensional work that spans productive, reproductive, care, and community and social work does not get captured as the lines between work for economic gain, and work as an extension of household chores (livestock management) and on the family farm are blurred. The gendered division of labour (women included in transplanting, weeding, cotton picking, vegetable and wheat harvesting, care and management of livestock) is a barrier to women's access to technologies, training, or microfinance. Adoption of more efficient, labour-saving methods by agri-business and dairy development organisations is ignoring women's work and role and marginalising them as producers and managers. Female community livestock extension workers (CLEWs) are direly needed as standardisation of practices with market penetration in agricultural activities is leaving rural women out.

Only 1% of entrepreneurs in Pakistan are women, compared to the 21% of the male entrepreneurs¹⁷; 20% of rural women are classified as own account workers (14% in agriculture and 6% in non-agri work). Support for microenterprises has remained limited to low return skills and enterprises with average loan size of PKR 25,000. Women's work as dairy farmers, vegetable producers etc. is not addressed. The National Financial Inclusion Strategy (NFIS)¹⁸ aimed to provide easy access to financial services to at least 50% of the adult population and 25% of adult women by 2020. Currently however few women, and especially rural women, have access to such services. Rural women are not prepared to cope with the changes resulting from urbanisation, climate change, environmental degradation and shocks, and technological innovations.

Prior to the floods, the economy was already facing a difficult adjustment in a bid to regain macroeconomic and fiscal stability. Implementation of government plans for the necessary fiscal consolidation is likely to become more challenging given extensive relief and recovery spending needs and slower growth of tax bases due to weaker economic activity. Given Pakistan's limited fiscal resources, significant international support and private investment will be essential for a comprehensive and resilient recovery.

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

The main stakeholders would be federal, provincial, public and semi-public institutions, service providing intermediate SMEs, business associations, chambers of commerce, herders, farmers, trade associations, women and poor population. The lack of coordination at institutional level (federal, provincial, district) will be addressed to increase the information flows and provide support to the private sector development.

International post flood response:

The action builds on the pledges of the International Conference on Climate Resilient Pakistan. In that forum, the Government of Pakistan presented the Resilient Recovery, Rehabilitation, and Reconstruction Framework and secured international support and forge long-term partnerships for building Pakistan's climate resilience and adaptation.

The EU committed EUR 88 million for Pakistan's flood-affected population, and the action will address the main challenges of the livestock sector in one of three most affected areas. The EU is already engaging at federal and provincial levels to build upon previous actions, notably "Growth for Rural Advancement and Sustainable Progress (GRASP) in Pakistan" and "Revival of Balochistan Water Resources Programme". Under these actions, the EU in cooperation with the government foresee a twice-a-year steering committee at federal and provincial levels to discuss achievements and endorse strategic direction.

Nexus with humanitarian response

¹⁷ Comparative Study of the Factors of Female Entrepreneurship in China and Pakistan, Open Journal of Social Sciences Vol.9 No.2, February 2021 <https://www.scirp.org/journal/paperinformation.aspx?paperid=107324#ref40>

¹⁸ <https://www.sbp.org.pk/finc/NF.asp>

The action will build upon the humanitarian response already run by the European Commission. The humanitarian response provided emergency fodder, vaccinations, multipurpose cash transfer, health and WASH and shelters in flooded areas. The current action will include strategic support to longer-term resilience strategy to adverse climatic shocks and longer-term changes, support the rehabilitation of the livestock sector value chain and enhance the early warning system to help prevent losses in respect to risks of the same magnitude. The action will also take into account the geographical indication of the IPC acute food insecurity report funded by the European Commission in selecting districts.

Other stakeholders

The EU engages with a range of actors across Pakistan and in Balochistan in particular. Civil society organisations (CSOs) including guilds, trade associations, chambers of commerce, and informal workers' associations¹⁹ are important actors of economic governance. They provide structures of support for micro-, small and medium-sized enterprises – advocacy, promotion and policy support, coordinating resources and tools, providing apprenticeship and training, and governing competition. As such, they constitute important stakeholders in sustaining livelihoods and job creation and representing the interests of a diversity of women and men employed in agricultural sector.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

This action results from a consultation of the Government of Pakistan and the Government of Balochistan to support the rehabilitation of the livestock value chain following the 2022 floods and the necessity to increase the resilience to climate shocks.

The livestock project targets sustainable, natural resource-based, green and decent job creation by tapping into the potential of private sector in sustainable livestock value chains and will result in increased sustainable income and jobs for the most vulnerable populations.

The **Overall Objective** of this action is to contribute to post 2022 floods climate-resilient socioeconomic recovery in the most affected and poorest districts of Balochistan province based on “building back better” to foster resilience to climate change and economic shocks.

The **Specific Objectives** of this action are to

1. Improved sustainable production and productivity of husbandry enhancing climate-resilient, high value livestock products and creating new working opportunities with a focus on youth and women
2. Increased access to financial investment to strengthen value chains and market linkages in agriculture and livestock

The Outputs to be delivered by this action contributing to the corresponding Specific Objective 1 are

1.1 Livestock farmers skilled in improved climate resilient practices and supported with improved livestock inputs

This component aims to improve sustainable productivity and income of small-holder farmers through livestock development particularly for sheep and goats, tapping on the province's comparative advantage, improving genetic breeding and feed resources, supporting the one health approach, and investing in capacity building to expand the farmers' resilience capacity to climate shock.

1.2 Strengthened veterinary services through improved disease diagnostic capability, reproductive services, vaccination cold chain, food control systems, and human resource capacity

This component targets the public and private sector to strength their capacity to provide and access to an early warning system aiming to prevent climate and disease shock that undermine the productivity and economic capacities of men and women farmers and Micro, Small & Medium Enterprises.

1.3 Enhanced skills of women farmers in livestock keeping, safe family nutrition and climate smart livestock production

This component goals to target the women in their diversity working in the husbandry sector to improve their technical and nutritional skills and to provide them income generating activities to support their families.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives 2 are

2.1 Improved value addition and compliance for better marketing activities

The component focuses on the promotion of market linkages and commercialisation services to Micro, Small & Medium Enterprises to increase the economic revenue of the livestock value chain at local, national and possibly regional level with the adoption of circular economy principles.

2.2 Strengthened access to finance for livestock farmers/entrepreneurs

The output aims to promote the interactions between the private business working in the livestock sector and the financial banking system, through innovative green finance products and services designed to increase the investments and the business environment.

2.3 Improved access of women farmers to finances for value addition of livestock and livestock products

The component focuses on the promotion of gender-based services to women entrepreneurs (i.e., development of a micro-finance tool targeting women only, guarantees/insurance schemes provided to women-led MSMEs, etc.) that work in the husbandry sector to increase their finance access and create new employment opportunities for women.

3.2 Indicative Activities

Activities relating to Output 1.1 Livestock farmers skilled in improved climate resilient practices and supported with improved livestock inputs

Key activity will include: genetic improvement, better feed resources, such as through improved fodder and forage seeds varieties and inter-provincial movement of feed/silage/fodder, water stocking, including via 'green' and 'grey' infrastructure for both surface and groundwater storage, sustainable rangeland management based on landscape approaches, including interventions already taken by the EU, early warning system, vaccination, and capacity building of farmers, government livestock department staff, community livestock extension workers (CLEWs) on artificial insemination, animal nutrition, disease.

Activities relating to Output 1.2 Strengthened veterinary services through improved disease diagnostic capability, reproductive services, vaccination cold chain, food control systems, and human resource capacity

Key activities will include: improving disease diagnostic capacity, reproductive services, establishing vaccination and medication solar powered cold chain, developing policy framework, food safety audits and compliance standards in a process involving local authorities and institutional arrangements for community-led development, ensuring food control systems by fostering institutional environment in terms of quarantine services, linkages with the federal government quarantine department, involving private sector for the science-based solutions in the form of latest equipment and technology, improving export compliance and quarantine measures, and early warning system.

Activities relating to Output 1.3 Enhanced skills of women farmers in livestock keeping, safe family nutrition and climate smart livestock production

Key activities will include technical training to improve animal husbandry and food safety, provision of food processing kits to reduce food losses and capacity building to enhance the position of women paravets in the communities of intervention.

Activities relating to Output 2.1 Improved value addition and compliance for better marketing activities

Key activities will include social mobilisation of communities to form producer groups and business groups to facilitate collective bargaining and ensuring economies of scale and low cost of production, development of livelihood improvement plans with specific focus on livestock, livestock related stockpiling, establishment of community-managed Union Council level markets and linking them with market at Tehsil, District and Provincial Capital for buying and selling of livestock and products.

Activities relating to Output 2.2 Strengthened access to finance for livestock farmers/entrepreneurs

Key activities will consist of restocking the animal losses, linking farmers/groups/organisations with income generating grants, Community Livelihoods Funds, small grants, matching grants. Income generating grants will be provided to households for productive purposes with special support to female-headed households as those are

in particular financial distress. Community Livelihoods Fund (CLF) established at the community level will assist female members in internal lending and saving. The small grant facility will enable livestock women farmers, processors, and traders along with Community Livestock Extension Workers to obtain animal feed, medicines and veterinary services, construct small storage facilities for animal feed, water ponds, animal shelter-employing zero carbon construction techniques, purchase of livestock, purchase meat, milk processing equipment or conduct marketing activities.

Activities relating to Output 2.3 Improved access of women farmers to finances for value addition of livestock and livestock products

Key activities will foster finance and market access for various groups of women, tailoring the previous set of activities on their immediate and strategic needs and based on participatory consultation process the, taking into account relevant gender disparities and other the social constraints such as social exclusion constraint faced in the province.

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

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

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is at risk climate risk was addressed as part of the implementing partner's Social, Environmental and Climate Assessment Procedures (SECAP).

IFAD's SECAP procedures are focused on risk identification, assessment, mitigation and management, and mainstreaming opportunities, leading to achieve better development outcomes through:

- Environmental, social and climate due diligence, proportionate to the nature and scale of the project, and the level of environmental, social and climate risks and impacts
- Clear procedures to integrate mainstreaming themes (environment and climate change, gender, nutrition, and youth) into the project cycle in order to maximise positive social and environmental impact, and climate change adaptation and mitigation benefits
- Commitment to work with national governments to build their national systems for managing risks and enhancing development opportunities, where required
- Timely stakeholder engagement, information disclosure and adequate grievance redress

The mandatory SECAP screening and categorisation exercise is carried out using the strict standards including, Biodiversity conservation, Resource efficiency and pollution prevention, and Climate change.

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 gender equality and women's empowerment is an important and deliberate objective, but not the principal reason for undertaking the action. The core elements for a G1 action are described as following:

1. Conducting a gender analysis and using it for designing the action: a gender gap analysis was conducted by the EU in 2020. In addition, the government published in July 2022 a Climate Change Gender Action Plan. The findings from both documents are included in the present action document.
2. Gender equality objectives/expected outcomes and outputs: under both outcomes there will be a dedicated output to the activities related to women's empowerment.
3. Indicators and Data disaggregation: the indicators are disaggregated by sex where applicable

4. Monitoring and evaluation on gender equality: the gender equality-based approach will be mainstreamed into the monitoring and evaluation of the project.

The action is well-aligned with the EU Gender Action Plan 2021-2025 (GAP III), in particular with two thematic areas:

- i) Strengthening economic and social rights and empowering girls and women, and
- ii) Addressing the challenges and harnessing the opportunities offered by the green transition and digital transformation.

Human Rights

Pakistan has ratified several key human rights instruments including the Convention on the Elimination of All Forms of Discrimination Against Women (1979), International Covenant on Civil and Political Rights (1966), and the International Covenant on Economic, Social and Cultural Rights (1976). It is also signatory to the International Labour Organisation's (ILO) conventions on equal wages, equitable work standards, and participation. However, gaps continue to exist in Pakistan's performance on critical socio-economic indicators, e.g., women's economic participation (Pakistan has ranked 145 out of 146 on the World Economic Forum's Global Gender Gap Index 2022²⁰), youth unemployment, and overall standards of living (Pakistan has ranked 161 amongst 189 countries on the UN's Human Development Index 2021²¹).

The action is designed taking into account the need to uphold national and international human rights and safeguarding obligations, recognising the right of every person, without discrimination, to survival, well-being and development, as well as to be protected from harm.

The action is aligned with the EU's Action Plan on Human Rights and Democracy 2020-2024.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. Nonetheless, the action will ensure that the rights of women and men with disabilities are going to be respected, and the envisaged interventions are disability responsive and inclusive. The action is going to invite the organisations representing persons with disabilities when possible and it will make sure that (at least physical) accessibility of planned events is guaranteed.

Reduction of inequalities

Discrimination against women and girls' discrimination is deeply embedded in Pakistani social and cultural norms. Women in their diversity lack or have limited access to assets, to market, to basic services, and are less protected from risks as the PNDA assessment evidenced.

The action will contribute to the empowerment of women living in rural communities by facilitating access to assets and information that are required to improve their soft and hard skills in the livestock value chain, in addition further support is envisaged to provide access to targeted financial services. The action will pay attention to the multiple disadvantages faced by women based on their age, disability or refugee status and those in socioeconomic difficulties.

The nature of the action aims to trigger endogenous development processes, by putting rural community at the heart of the development and the care of their territory. Through the early warning system and the training to manage the natural resources, as well as by building synergies with other EU funded interventions, the action will strengthen community's resilience to climate (and other) shocks and provide economic support to build back better the livestock sector.

Democracy

The implementation approach ensures that the action aligns with the principles of Accountability to Affected Populations and that the human rights and interests of communities are actively promoted and safeguarded throughout the project cycle. Tested participatory methodologies in which community level institutions are the key stakeholder will be used to ensuring inclusiveness in the support provided to farmers organisations benefitting

²⁰ https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

²¹ <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>

from the action, with special attention paid to not leave behind religious minorities. The action is aligned with the EU Action Plan on Human Rights and Democracy 2020 – 2024.

Conflict sensitivity, peace and resilience

The action builds on the lessons learned from decades of EU support in areas characterised by fragility and conflict. Strong community engagement combined with an acute understanding of local conflict dynamics and robust coordination mechanisms with all levels of government will be the means for the action to contribute to maintaining peace and stability in the intervention area, will all the necessary community-level and provincial government mechanisms in place to ensure that possible conflicts are prevented while natural resources are soundly managed.

The action will not include any activity that could contribute to conflict related the access or use of land, water sources and other livelihoods. Stakeholder grievance redressal mechanisms will be put in place with the beneficiary cooperatives to ensure that local actors have the tools to prevent and address any possible conflict that could arise between farmers groups, service providers and customers.

Lessons from previous programmes in the province show that equal and meaningful participation of women and men in a cross-cultural sensitive manner provides an entry point for gender mainstreaming in livestock sector in Pakistan. Efforts will be undertaken to include Afghan refugees, both women and men, in the programme in a conflict sensitive manner, along with host communities.

Disaster Risk Reduction

The action promotes the global targets of the Sendai Framework to achieve a substantial reduction of disaster risk and losses in livelihoods, in the economic and environmental assets of persons, businesses and communities.

Project activities in support to agribusiness development and particularly relating to climate smart agriculture technologies (livestock value chain efficiency, feeding and fodder management, climatic and outbreak early warning system) will be implemented in flood affected areas based on the “building back better” approach.

Different bottom up and top-down approaches will be integrated into the design of the project to ensure the achievement of results and provide different coping mechanism to the communities involved.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium / Low)	Mitigating measures
1- External Environment	Delays due to natural hazards	Medium	Medium	Continuous coordination will take place with the Balochistan Livestock department to ensure that planning and implementation of activities is done with a DDR perspective.
1- External Environment	Aid does not reach the dedicated population due to corruption	Medium	High	Mitigated with thorough and transparent procurement and compliance procedures in a comprehensive way, incl. prevention of conflicts of interests, measures to ensure enforcement and detection and transparent/public reporting on costs and objectives.
1- External Environment	Unstable security situation	Medium	Medium	The situation will be continuously monitored, and appropriate mitigation measures will be put in place accordingly.

				UNDSS advise will be followed and government security operatives will be used for districts with substantial risks.
2- Risks related to planning, processes and systems	Political influence on the rights-holders	Medium	High	Implementing agency(s) will involve community organisations to discuss and resolve political influences on targeting. Information will be shared with government line agencies/district administration and other stakeholders to ensure transparency and accountability
4- Risks related to legality and regularity aspects	Ineffective implementation of programs caused by weak business environment and institutional framework	Medium	Medium	Despite the positive trend in ease of doing business after implementing regulatory reform, Pakistan still has a weak regulatory framework, ineffective taxation, an anti-export bias, cumbersome business regulations and poor civil service. The action will support the roll-up of the regulatory reform and building the capacities of the civil servant in Balochistan.
4- Risks related to legality and regularity aspects	Reluctance of stakeholders to accept and adopt new approaches and technologies	Medium	Medium	In the livestock sector, profitability is hampered by inefficient practices and hygienic handling, often resulting in losses and contamination of the production. Supporting livestock value chain will increase food security and food resilience.
5- Communication and Information	Lack of access to Information and misunderstanding of the action's objectives, especially in remote contexts	Medium	High	Local partners will leverage a variety of communication tools deemed appropriate in the respective local context and with regard to the respective target groups. This includes strong anchoring in local languages. Communication with stakeholders will be mindful to local nuances and implement an inclusive approach through both formal products (use of printed material, leaflets, brochures, video documentaries), face to face interactions, as well as digital mediums of communication (e.g., webinars, social media interactions). Monitoring and feedback mechanisms from the communities are used as a two-way communication process to improving results.
6- Risks related to gender blind interventions of the action	A gender-blind, neutral or negative context and problem analysis could reinforce existing gender inequalities and non-realization of human rights in the sector, and hinder the efficiency,	Medium	Medium	Use gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators. Gender mainstreaming is applied in all phases of the support services.

	effectiveness and sustainability of the action			
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Lessons Learnt:

- A **Provincial approach** allows to be more efficient in terms of policy dialogue, since the Provincial Governments in Pakistan have a clear mandate in terms of policy and regulations on many subjects such as livestock, climate change or business development.
- **Agriculture remains the sector in Pakistan with the highest potential for poverty reduction** and income generation. Profitable and efficient agribusiness along strategic value chains can generate new, more attractive on-farm and off-farm employment opportunities for youth, women and men. In particular in Balochistan, the livestock has a high potential for income generation and the government is already making effort to ensure international market connection with Gulf countries.
- **Market-oriented approach.** EU support in Balochistan over the last 10 years has focused on community mobilisation as a means to improve basic services delivery. Boosting economic development including wealth and jobs creation will require a more market-oriented approach by which MSMEs will increase their capacities to meet market demands based on market studies, business plans and clear commercial profit objectives under the leadership of a professional management team. In that sense the action draws also lessons from GRASP experience in Balochistan and Sindh developing market-oriented, sustainable and profitable professional farmers’ organisations.
- **Gender mainstreaming.** Equal and meaningful participation of women and men provides an entry point for gender mainstreaming in livestock sector in Pakistan.
- **Disaster Risk Reduction.** Flood management measures are necessary to avoid loss of life, property and earnings – and can be achieved by a mix of ‘top-down’ and ‘bottom-up’ approaches. ‘Top-down’ type measures entail integrated water resources management to coordinate stakeholders and adopt land use policies mandating a) agricultural structures located on high ground beyond of the floodplains, b) greater application of nature-based-solutions/ ‘green’ infrastructure (such as wetlands, pastures and earthen livestock ponds to absorb stormwaters and foster groundwater recharge), c) development of ‘grey’ infrastructure (such as dykes, dams and channels) to direct flood waters and d) expand the ‘early-warning’ mechanisms. ‘Bottom-up’ type measures entail a) protection of pasture lands by farmers/ herders adhering to grazing limits, b) planting vegetation to retain excess storm water, c) applying building-back-better approaches, such as flood-proofing agricultural dwellings and rebuilding on higher ground, and d) farmers/ herders coordinating individual/ herd flood emergency plans with emergency services entities.

3.5 The Intervention Logic

The underlying intervention logic for this action is built on two mutually reinforcing pathways:

If the productivity (outcome 1) is restored in an efficient and climate resilient way, the market access (outcome 2) can be guaranteed and the incomes generated increase, allowing the restoration of the livelihood, contributing to stability and security in Balochistan and improving the quality of life of women and men farmers.

Out of the four Strategic Recovery Objectives (SROs) outlined in the 4RF, the action focuses on Restoring livelihoods and economic opportunities (SRO2), and Restoring and improving basic services and physical infrastructure in a resilient and sustainable manner (SRO4); while contributing to Enhancing governance and capacities of the state institutions to restore lives and livelihoods of the affected people, especially the most vulnerable (SRO1), and to Ensuring social inclusion and participation (SRO3).

The proposed programme contributes to respond to the reconstruction and recovery needs in Balochistan, which is one of the most affected areas, tackling the economic crisis, creating new income generating activities for various groups of women, supporting the husbandry sector and improving the resilience to the climate change of the local population.

The programme will take a multi-stakeholder approach to ensure public and private engagement for enhancing sustainability. The intervention logic of the proposed programme thus consists of the support to the vertical and horizontal development of public sector authorities, targeted SMEs clusters, upgradation of value addition along the whole supply chain, increased integration of small producers into supply chains leading to enhanced income generating opportunities for the SMEs, so that overall value addition will allow transformation of the rural economy in Balochistan.

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 contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, 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 modalities of 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, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
Impact	To contribute to post 2022 floods climate-resilient socioeconomic recovery in the most affected and poorest districts of Balochistan province based on “building back better” to foster resilience to climate change and economic shocks	<ol style="list-style-type: none"> 1. Average disposable income of small-scale food producers, by sex in Balochistan 2. Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural) 3. Number of months of self-reported food insecurity (food gap) 	<ol style="list-style-type: none"> 1 TBD 2 TBD 3 TBD 	<ol style="list-style-type: none"> 1 TBD 2 TBD 3 TBD 	<ol style="list-style-type: none"> 1. FAO 2. Agricultural and Rural Integrated Surveys (AGRIS)- (Agricultural and Rural Integrated Survey) 3. World Bank 4. UN Population Data 5. Project-commissioned survey 6. IPC survey 	<i>Not applicable</i>

<p>Outcome 1</p>	<p>1. Improved sustainable production and productivity of husbandry enhancing climate-resilient, high value livestock products and creating new working opportunities with a focus on youth and women</p>	<p>1.1 Areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha)</p> <p>1.2 Total number of livestock (Tropical Livestock Unit), disaggregated by type of livestock, type of production, location</p> <p>1.3 Livestock mortality rate, disaggregated by type of livestock</p> <p>1.4 Livestock productivity (e.g., milk yield per head and/or kg of beef production per head), disaggregated by type of produce and location</p> <p>1.5. Number of new formal and informal jobs for women created in the livestock sector with the EU support</p> <p>1.6 Number of smallholders reached with EU supported interventions aimed to increase their sustainable production and access to market disaggregated by gender and age</p>	<p>1.1 TBD</p> <p>1.2 TBD</p> <p>1.3 7% goat and sheep</p> <p>1.4 TBD</p> <p>1.5 TBD</p> <p>1.6 TBD</p>	<p>1.1 TBD</p> <p>1.2 TBD</p> <p>1.3 6% goat and sheep</p> <p>1.4 TBD</p> <p>1.5 TBD</p> <p>1.6 TBD</p>	<p>1.1 Project-commissioned studies (at the beginning and end of the action)</p> <p>1.2 Country level statistic</p> <p>1.3 annual report</p> <p>1.4 annual report</p> <p>1.5 annual report</p> <p>1.6 annual report</p>	<p>Current political and security situation remain conducive</p> <p>The political/ security context does not see an increase in TTP attacks</p> <p>Climatic conditions are favourable for farming and livestock-rearing activities.</p> <p>Outbreaks of animal and plant diseases will be contained and loss of livelihood assets among the population will be minimal</p>
<p>Outcome 2</p>	<p>2. Increased access to financial investment to strengthen value chains and market linkages in agriculture and livestock</p>	<p>2.1 Yearly volume of credit to agriculture</p> <p>2.2 Number of new women-led businesses working in the livestock sector created</p> <p>2.3 Additional added value created</p> <p>2.4 Proportion of added value going to smallholder farmers, disaggregated by livestock/agriculture products and by sex</p> <p>2.5 Percentage of adults with at least one loan outstanding from a bank or other formal or informal financial institution, disaggregated by type of financial institution, sex, age, location and ethnicity when relevant</p> <p>2.6 Number (%) of individuals with digital literacy in rural areas (disaggregated by sex)</p>	<p>2.1 TBD</p> <p>2.2 TBD</p> <p>2.3 TBD</p> <p>2.4 TBD</p> <p>2.5 TBD</p> <p>2.6 TBD</p> <p>2.7 TBD</p> <p>2.8 TBD</p> <p>2.9 TBD</p> <p>2.10 TBD</p>	<p>2.1 TBD</p> <p>2.2 TBD</p> <p>2.3 TBD</p> <p>2.4 TBD</p> <p>2.5 TBD</p> <p>2.6 TBD</p> <p>2.7 TBD</p> <p>2.8 TBD</p> <p>2.9 TBD</p>	<p>2.1 FAOSTAT</p> <p>2.2 Project-commissioned studies (at the beginning and end of the action)</p> <p>2.3 World Bank Global Findex</p> <p>2.4 Individual Country Agricultural Integrated Surveys report</p> <p>2.5 annual report</p>	<p>Current political and security situation remain conducive</p> <p>The political/ security context does not see an increase in TTP attacks</p> <p>Financial conditions remain conducive</p> <p>Livestock international markets conditions remain open for export</p>

		<p>2.7 Value of sales of smallholders' produce, disaggregated by type of animal, value chain and sex</p> <p>2.8 Number of MSMEs (including women led) that are registered with Securities and Exchange Commission of Pakistan (SECP) with EU support</p> <p>2.9 Number of MSMEs (including women led) targeted by skills development programmes</p> <p>2.10 Number of MSMEs applying sustainable consumption and production practices with EU support</p>		2.10 TBD	<p>2.6 annual report</p> <p>2.7 Project-commissioned studies (at the beginning and end of the action)</p> <p>2.8 annual report</p> <p>2.9 annual report</p> <p>2.10 annual report</p>	
Output 1 relating to Outcome 1	1.1 Livestock farmers skilled in improved climate resilient practices and supported with improved livestock inputs	<p>1.1.1 Number of women and men livestock farmers groups mobilised</p> <p>1.1.2 number of livestock artificially inseminated and delivering (disaggregate by type)</p> <p>1.1.3 number of prevention and disease control advice received and delivered to the population (disaggregate by type)</p> <p>1.1.4 percentage of women and men farmers reporting benefit to the animal welfare</p> <p>1.1.5 number of surveys on current productivity of the rangeland in the project area</p> <p>1.1.6 number of participatory rangeland development plans implemented</p> <p>1.1.7 percentage of women and men farmers reporting positive feedback on the impact of the climate resilient grazing practice introduced</p> <p>1.1.8 percentage of livestock farmers' groups reporting positive feedback on the impact of climate smart livestock production technologies and practices</p>	<p>1.1.1 TBD</p> <p>1.1.2 TBD</p> <p>1.1.3 TBD</p> <p>1.1.4 TBD</p> <p>1.1.5 TBD</p> <p>1.1.6 TBD</p> <p>1.1.7 TBD</p> <p>1.1.8 TBD</p>	<p>1.1.1 TBD</p> <p>1.1.2 TBD</p> <p>1.1.3 TBD</p> <p>1.1.4 TBD</p> <p>1.1.5 TBD</p> <p>1.1.6 TBD</p> <p>1.1.7 TBD</p> <p>1.1.8 TBD</p>	<p>1.1.1 annual report</p> <p>1.1.2 annual report</p> <p>1.1.3 annual report and project-commissioned studies (at the beginning and end of the action)</p> <p>1.1.4 annual report</p> <p>1.1.5 project-commissioned studies (at the beginning and end of the action)</p> <p>1.1.6 annual report</p> <p>1.1.7 annual report and project-commissioned studies (at the</p>	<p>Targeted institutions remain committed during the implementation of all activities</p> <p>Farmers' organizations/group are supportive and committed to the programme</p>

					beginning and end of the action)	
					1.1.8 annual report and project-commissioned studies (at the beginning and end of the action)	
Output 2 relating to Outcome 1	1.2 Strengthened veterinary services through improved disease diagnostic capability, reproductive services, vaccination cold chain, food control systems, and human resource capacity	<p>1.2.1 percentage of vets and paravets reporting improvement in the disease diagnostic capability disaggregated by sex and location</p> <p>1.2.2 number of establishments of cold chain facilities for veterinary services</p> <p>1.2.3 percentage of positive feedback on the improvement of the reproductive services for livestock</p> <p>1.2.4 percentage of positive compliance for domestic and export requirements based on a comprehensive and participatory gender sensitive assessment of food control systems at the federal and provincial levels</p> <p>1.2.5 percentage of positive feedback regarding the improvement in the capacity building of the relevant staff preferably gender balance and ensuring women's representation</p>	<p>1.2.1 TBD</p> <p>1.2.2 TBD</p> <p>1.2.3 TBD</p> <p>1.2.4 TBD</p> <p>1.2.5 TBD</p>	<p>1.2.1 TBD</p> <p>1.2.2 TBD</p> <p>1.2.3 TBD</p> <p>1.2.4 TBD</p> <p>1.2.5 TBD</p>	<p>1.2.1 annual report and project-commissioned studies (at the beginning and end of the action)</p> <p>1.2.2 annual report</p> <p>1.2.3 annual report and project-commissioned studies (at the beginning and end of the action)</p> <p>1.2.4 annual report and project-commissioned studies (at the beginning and end of the action)</p> <p>1.2.5 annual report</p>	<p>Targeted institutions remain committed during the implementation of all activities</p> <p>Farmers' organizations/group are supportive and committed to the programme</p> <p>Provincial Veterinary Service makes all its related units and staff available for the development and roll out of the Animal artificial insemination program</p> <p>The provincial livestock department remains open for new innovations and linkages.</p>
Output 3 relating to Outcome 1	1.3 Enhanced skills of women farmers in livestock keeping, safe family nutrition and climate smart livestock production	<p>1.3.1 number of women mobilised into farmers' groups (disaggregated by age, ethnicity)</p> <p>1.3.2 percentage of reported enhancement of the knowledge and the skills by women farmers (disaggregated by age, ethnicity, for safe and nutritious family food preparation</p>	<p>1.3.1 TBD</p> <p>1.3.2 TBD</p> <p>1.3.3 TBD</p> <p>1.3.4 TBD</p>	<p>1.3.1 TBD</p> <p>1.3.2 TBD</p>	<p>1.3.1 annual report</p> <p>1.3.2 annual report and project-commissioned studies (at the</p>	<p>Targeted institutions remain committed during the implementation of all activities</p> <p>Farmers' organizations/group are</p>

		<p>1.3.3 percentage of food losses decreased due to the food processing kits distributed</p> <p>1.3.4 percentage of women farmers (disaggregated by age, ethnicity) reporting increased disposable income and nutritional status generated by poultry production</p> <p>1.3.5 percentage of positive feedback reported by women and men livestock farmers on the impact of the capacity building in climate smart livestock production technologies and practices</p>	1.3.5 TBD	<p>1.3.3 TBD</p> <p>1.3.4 TBD</p> <p>1.3.5 TBD</p>	<p>beginning and end of the action)</p> <p>1.3.3 project-commissioned studies (at the beginning and end of the action)</p> <p>1.3.4 project-commissioned studies (at the beginning and end of the Action)</p> <p>1.3.5 annual report and project-commissioned studies (at the beginning and end of the action)</p>	<p>supportive and committed to the programme</p> <p>Provincial Veterinary Service makes all its related units and staff available for the development and roll out of the Animal artificial insemination program</p> <p>The provincial livestock department remains open for new innovations and linkages.</p>
<p>Output 1</p> <p>relating to Outcome 2</p>	<p>2.1 Improved value addition and compliance for better marketing activities</p>	<p>2.1.1 percentage of farmers' groups / community members with entrepreneurial potential providing positive feedback about the income generated after joining the program (disaggregated by sex)</p> <p>2.1.2 number of market opportunities selected</p> <p>2.1.3 percentage of disposable income increased due to linkages between livestock entrepreneur groups and identified market opportunities (disaggregated by sex)</p> <p>2.1.4 percentage of disposable income increased due to the capacity building of livestock entrepreneur groups in value addition</p>	<p>2.1.1 TBD</p> <p>2.1.2 TBD</p> <p>2.1.3 TBD</p> <p>2.1.4 TBD</p>	<p>2.1.1 TBD</p> <p>2.1.2 TBD</p> <p>2.1.3 TBD</p> <p>2.1.4 TBD</p>	<p>2.1.1 project-commissioned studies (at the beginning and end of the action)</p> <p>2.1.2 project-commissioned studies (at the beginning and end of the action)</p> <p>2.1.3 annual report and project-commissioned studies (at the beginning and end of the action)</p>	<p>Targeted institutions remain committed during the implementation of all activities</p> <p>The provincial livestock department remains open for new market linkages providing services and support to entrepreneurs</p>

					2.1.4 annual report and project-commissioned studies (at the beginning and end of the action)	
Output 2 relating to Outcome 2	2.2 Strengthened access to finance for livestock farmers/entrepreneurs	<p>2.2.1 number of grants distributed to improve community ponds and rangelands</p> <p>2.2.2 number of Livestock farmers' groups savings and loans reporting positive feedback on the impact of the grant scheme</p> <p>2.2.3 number of animals restocked that restore the income generated before the floods</p> <p>2.2.4 number of grants distributed to establish innovative small to medium enterprises of livestock</p> <p>2.2.5 number of studies on livestock insurance</p>	<p>2.2.1 TBD</p> <p>2.2.2 TBD</p> <p>2.2.3 TBD</p> <p>2.2.4 TBD</p> <p>2.2.5 0</p>	<p>2.2.1 TBD</p> <p>2.2.2 TBD</p> <p>2.2.3 TBD</p> <p>2.2.4 TBD</p> <p>2.2.5 1</p>	<p>2.2.1 annual report</p> <p>2.2.2 annual report and project-commissioned studies (at the beginning and end of the action)</p> <p>2.2.3 annual report and project-commissioned studies (at the beginning and end of the action)</p> <p>2.2.4 annual report</p> <p>2.2.5 project-commissioned studies (at the beginning and end of the action)</p>	<p>Targeted institutions remain committed during the implementation of all activities</p> <p>Farmers' organizations/group are supportive and committed to the programme</p> <p>No major climate adverse condition nor animal outbreak will be faced</p>
Output 3 Relating to Outcome 2	2.3 Improved access of women farmers to finances for value addition of livestock and livestock products	<p>2.3.1 percentage of women farmers' groups / community members with entrepreneurial potential providing positive feedback about the income generated after joining the program</p> <p>2.3.2 percentage of positive feedback reported by the women participating in the capacity building sessions in value addition of the livestock products</p>	<p>2.3.1 TBD</p> <p>2.3.2 TBD</p> <p>2.3.3 TBD</p> <p>2.3.4 TBD</p>	<p>2.3.1 TBD</p> <p>2.3.2 TBD</p> <p>2.3.3 TBD</p> <p>2.3.4 TBD</p>	<p>2.3.1 annual report and project-commissioned studies (at the beginning and end of the action)</p> <p>2.3.2 annual report</p> <p>2.3.3 annual report</p>	<p>Targeted institutions remain committed during the implementation of all activities</p> <p>Farmers' organisations/group are supportive and committed to the programme</p>

		<p>2.3.3 percentage of women entrepreneurs (disaggregated by age, ethnicity, disability and refugee status) accessing new finance access</p> <p>2.3.4 number of new grants awarded to community women farmers groups in livestock production based on identified needs</p>			<p>2.3.4 annual report and project-commissioned studies (at the beginning and end of the action)</p>	
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Islamic Republic of Pakistan.

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 72 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component [For Budget Support only]

NA

4.4 Implementation Modalities

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

4.4.1 Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

The grant will contribute to achieve Specific Objective 2

(b) Type of applicants targeted

Applicants must:

- be a legal entity
- be non-profit-making
- be a non-governmental organisation, public sector operator, local authority.
- be established in an eligible country as stipulated by NDICI-GE

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to an applicant selected using the following criteria:

1. Long-term presence and commitment – Grassroot presence in most of the districts in the country, a commitment to remain and work with the most vulnerable communities, a mandate to foster institutions to reduce inequalities, promote inclusive governance and development
2. Political capital – A partner of choice for government and stakeholders at all level, with a proven ability to bring together different actors and stakeholders, and provide support regarding national and regional priorities
3. Approach and relevant technical competencies – A proven ability to design, implement, manage and monitor large scale and high-quality economic programmes. In particular, the action requires specific multisectoral technical expertise covering access to finance, marketing and commercialisation especially in agriculture and livestock sector in Balochistan.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because of the Declaration of Crisis of 17 October 2022 as referred to in Article 2(21) of the Financial Regulation and in accordance with Article 195 (a) of the same Regulation.

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with a pillar-assessed entity, which will be selected by the Commission's services using the criteria defined in section 4.4.1.

4.4.2 Direct Management (Prize(s))

NA

4.4.3 Direct Management (Procurement)

NA

4.4.4 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with the Food and Agriculture Organisation of United Nations (FAO). In particular, the specific objective 1 and the related outputs described in section 3 would be implemented under this modality.

FAO is a key interlocutor in the agriculture and livestock sectors in Pakistan with a proven record of agricultural development projects successfully implemented in collaboration with provincial governments and strong capacities to mobilise significant resources to support sustainable and profitable agricultural value chains and create viable, business-oriented farmers organisations and MSMEs. FAO has been granted access to the province of Balochistan for its own operations and can access to most sensitive districts on the borders with Afghanistan.

The envisaged entity has been selected using the following criteria:

- Proven record of agricultural and livestock development projects successfully implemented in one or several of the following sectors: capacity building with provincial governments, support to sustainable and profitable agricultural and livestock value chains, creation of viable, business-oriented farmers and SMSEs,
- Technical capacity in generating jobs and income for smallholders' farmers
- Operational capacity in Pakistan, with access to the province of Balochistan including the most sensitive districts on the borders with Afghanistan

In case the envisaged entity would need to be replaced, the Commission services may select another replacement entity using the same criteria.

If the entity is replaced, the decision to replace it needs to be justified.

4.5. Scope of geographical eligibility for procurement and grants

The 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 shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the implementation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget components	EU contribution (Amount in EUR)	Third-party contribution, in currency identified
Implementation modalities – cf. section 4.3		

Outcome 1 - Improved sustainable production and productivity of husbandry enhancing climate-resilient, high value livestock products and creating new working opportunities with a focus on youth and women composed of	16 500 000	
Indirect management - cf. section 4.4.4	16 500 000	
Outcome 2 - Increased access to financial investment to strengthen value chains and market linkages in agriculture and livestock composed of	14 150 000	
Grants (direct management) – cf. section 4.3.1	14 150 000	675 000
Grants – total envelope under section 4.3.1	14 150 000	N.A.
Evaluation – cf. section 5.2	300 000	N.A.
Audit – cf. section 5.3	50 000	
Contingencies	1 000 000	N.A.
Totals	32 000 000	675 000

4.7 Organisational Set-up and Responsibilities

A dedicated and empowered **Project Management Unit (PMU)** will be established in Quetta and will be administratively linked to the P&D Department but accountable for its work and performance to the PSC. The PMU will be responsible for the management of all aspects related to the implantation of the project: operations, finance, procurement, human resource, M&E.

Civil Society and Public and Private Service Providers: Based on the needs assessment of the MSMEs and the herders, the project management unit will identify performance-based partnerships with public, private and civil society organisations

Community Organisations: Existing local organisations and in particular village councils and community and women’s human rights organisations (and if possible, those representing persons with disabilities), will be involved in the selection of rights-holders ensuring that various groups of women and men in vulnerable situations participate in a meaningful way.

The Ministry of Economic Affairs, Government of Pakistan, will be the overall coordinating agency at the federal level. Being a multisectoral initiative, **Planning and Development Department of the Government of Balochistan** will be the Executing Agency.

A **Project Steering Committee** will be set up for the programme to meet annually, convening implementing partners and government representatives. The Steering Committee to be Chaired by Planning and Development Department, Government of Balochistan, and co-chaired by the EU, will monitor the progress of the programme and promote and ensure synergies with other activities led by the EU and other stakeholders, include with the Team Europe initiative and more broadly with EU Member States’ activities.

Technical Working Committees (TWG) will be established under the Steering Committee. They will develop a results-based multiyear work-plan, under the leadership of the Planning and Development Department, and in close consultation with all key and auxiliary stakeholders. The TWG will be instrumental to drive the implementation of the action, monitor process and performance and ensure coordinated efforts between all stakeholders. The TWG will be comprised of mid-level management representing all members of the Steering Committee.

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

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 part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding gender and disability sensitive indicators, using as reference the logframe matrix (for project modality) 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 recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Roles and responsibilities for data collection, analysis and monitoring:

Using the project logical frame as the basis, the main purpose of the M&E system will be to provide the EU, the Government of Pakistan and the implementing partner with reliable and timely information on project execution performance and results, and to ensure efficient and effective project implementation. The M&E system will aim at monitoring: (i) project execution, which essentially means the regular tracking of activities and output targets; (ii) outreach i.e., the number of persons directly benefitting from project interventions disaggregated in terms of sex, gender, age; (iii) project results; and (iv) benchmark risks and assumption against those identified in the Logframe.

Monitoring of progress. The project monitoring system will focus on: (i) assessing the rates of physical execution of yearly planned activities/sub-activities against planned annual and end targets; (ii) verifying compliance by all actors with agreed calendar and deadlines; (iii) assessing the rate of financial execution against the provisional planned budget; and (iv) providing input to the quarterly and annual reporting.

Standardised templates shall be developed for data collection and reporting and included in the agreements with implementing partners. While field monitoring is largely led by IPs, in order to verify the data submitted by the various project partners and monitor the quality of outputs, the M&E team will conduct monthly field visits.

The PSC supervision missions shall also periodically assess project implementation—including the effectiveness of M&E system in tracking and resolving implementing bottlenecks.

Results measurement:

- i. *Baseline.* A baseline survey, covering the mandatory indicators (as per log frame), will be conducted in year-1 through a third-party service provider to document the initial status of target beneficiaries prior to commencement of the project interventions. This information will, at mid-term and completion, become the reference against which to measure changes, and therefore appreciate project outcomes and impact, or lack thereof.
- ii. *Mid Term Review (MTR).* An MTR combined with mid-line assessment will be conducted by P&DD, FAO and the grant recipient during the third year of implementation to assess progress against the targets. Comparison with baseline data will allow the measurement of changes in core indicators, and thus to infer on the project's direction of travel toward the project outcomes. The MTR shall identify implementation bottlenecks and suggest remedial actions—which may also include modification in the project design as appropriate.
- iii. *Annual Outcome Surveys.* PMU shall also start conducting annual outcome surveys through a third party after the MTR to validate the results reported in internal M&E assessments.
- iv. *Completion Survey.* The project will undertake a terminal assessment towards the end of the last of year of implementation to gauge the outcomes realized, as well as to document emerging impacts covering all

the core indicators contained in the project log frame. This may also feed into the project completion report.

Learning and knowledge management. A knowledge management strategy will be prepared during the start-up phase of the project to clearly identify knowledge products, events, uses and forums to collect, collate and share the knowledge generated through project interventions. The KM strategy has five pillars i.e. (i) use the project intervention as action research; (ii) systematic assessment and analysis using experimental designs which are statistically valid and robust; (iii) deriving inferences/conclusions from strong evidence base; (iv) devise knowledge products; and (v) disseminating knowledge products using various channels/media. The KM function will particularly focus on success factors pertaining to integration of small farmers to market chains and diversification into high value products and through investment in skills and entrepreneurship foster women's and youth's economic empowerment, while at the same time mainstreaming nutrition.

A dedicated M&E, knowledge management and communication section with suitably qualified and experienced staff is part of the organisational arrangements at the PMU and district offices. Likewise, all monitoring and reporting shall assess how the action is considering the principle of gender equality, human-rights based approach, and rights of persons with disabilities including diversified indicators to be disaggregated at least by sex.

5.2 Evaluation

Having regard to the importance and nature of the action, a mid-term and final ex-post evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to assess progress against the targets. Comparison with baseline data will allow the measurement of changes in core indicators, and thus to infer on the project's direction of travel toward the project outcomes. It shall identify implementation bottlenecks and suggest remedial actions—which may also include modification in the project design as appropriate.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), to gauge the outcomes realized, as well as to document lessons and emerging impacts covering all the core indicators contained in the project logical framework.

The Commission shall inform the implementing partners at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

All evaluation shall assess to what extent the action is taking into account the human rights-based approach and well as how it contributes to gender equality and women's empowerment. Expertise on human rights-based approach and gender equality will be ensured in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several 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 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate 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, service

providers, grant beneficiaries or entrusted or delegated entities 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.