



Multi-Donor Trust Fund II

Duration	Budget	Location	Implementing Partners
October 2017 - December 2022	€ 9.8 million	KP, Newly Merged districts of KP and Balochistan	The World Bank Group, Government of Pakistan, Governments of KP and Balochistan, Government's of Australia, Denmark, EU, Finland, Germany, Italy, Sweden, Switzerland, Norway, Netherlands, Turkey, UK, and the USA.

The World-Bank administered Multi-Donor Trust Fund (MDTF) was created in 2010 to mobilise and invest resources needed to cope with the reconstruction in the aftermath of the 2009 crisis in Pakistan. The Fund has been supporting a wide range of crucial projects to restore social and productive infrastructure, improve livelihoods, combat poverty, address governance issues and build citizen state trust in KP, FATA (now newly merged districts) and Balochistan.

The challenge

To build citizens' trust in the government through improved governance, jobs, and service delivery.

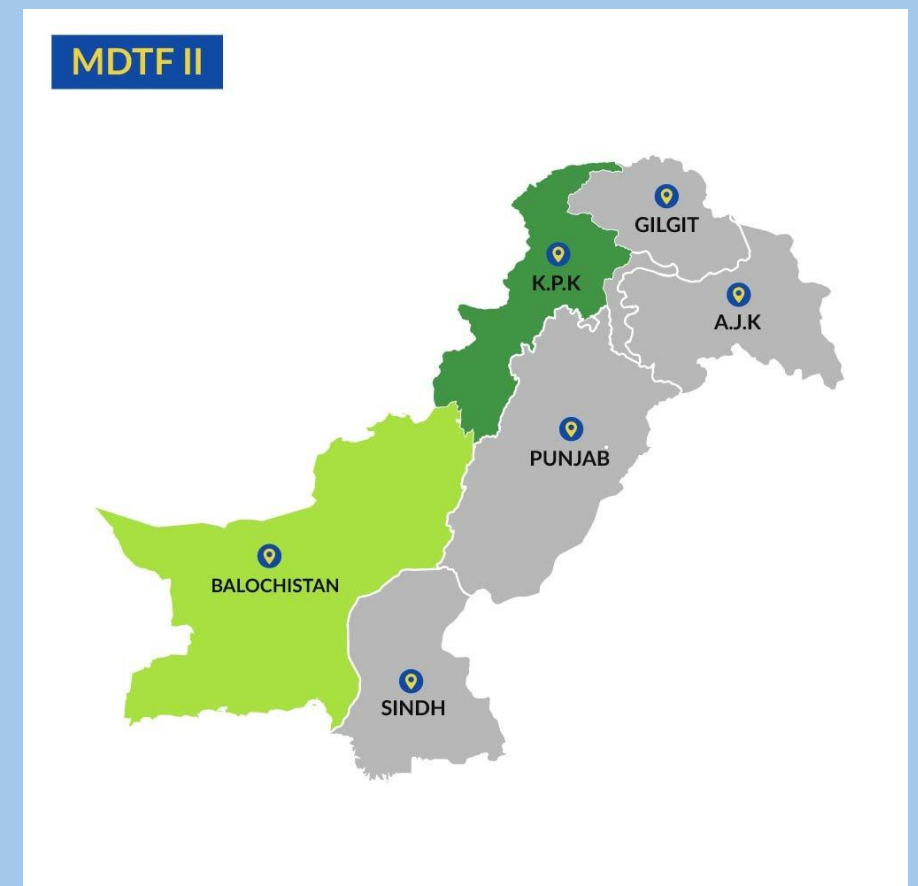
How do we address the challenge?

Over the course of the past 10 years, MDTF has led to real change at both the grassroots and policy levels. Projects under the three programme pillars – Policy Reform and Governance, Growth and Job Creation and Service Delivery – have been supporting good governance, citizen engagement and economic growth.

Under policy reform and governance, the MDTF helps core government departments to deliver better and more efficient services and make them more transparent and accountable to citizens.

Under growth and job creation, the MDTF provides grants to SMEs and also prepares youth for a digital economy so more people have better jobs.

Under service delivery, the MDTF projects support basic services through Citizen Facilitation Centres (CFC) in the newly merged districts of erstwhile FATA. The CFCs bring together NADRA Registration and Financial Service Platform, the National Bank of Pakistan, and the Department of Health to deliver a comprehensive register of birth, marriage, divorce, and death certificates; financial services like ATM machines, mobile top-ups, and utility bill payments; and health services such as immunisation.



What do we do?

Support for Improved Governance

- Policy Reform
- Public Investment Management
- Accountability of Public Service Delivery
- Strengthen Capacity Building of Civil Services and for Sales Tax on Services

Job creation by supporting small and medium enterprises

Improve livelihood options through better service delivery

What are we aiming to achieve?

The primary focus of MDTF has remained on enhancing trust between government and citizens in the target areas.

Improving governance of provinces by reinforcing their key services and supporting policy reforms

Promoting job creation by providing support to small and medium enterprises to generate employment opportunities - and also promoting digital jobs to create opportunities for youth

Increasing service delivery to strengthen the capacity of the poor to improve their livelihood options through access to social and productive infrastructures

Kainat Fazal - from Tank, Pakistan - was born with hearing and speaking disabilities. In her remote community, where options for the disabled are limited, this prevented her from participating in routine life and attending school.

Following her 18th birthday, she enrolled in embroidery training at the Vocational Training Centre in Kehkashan supported by MDTF. With extra assistance from the teachers and her mother, who attended to assist her, she was able to complete her training.

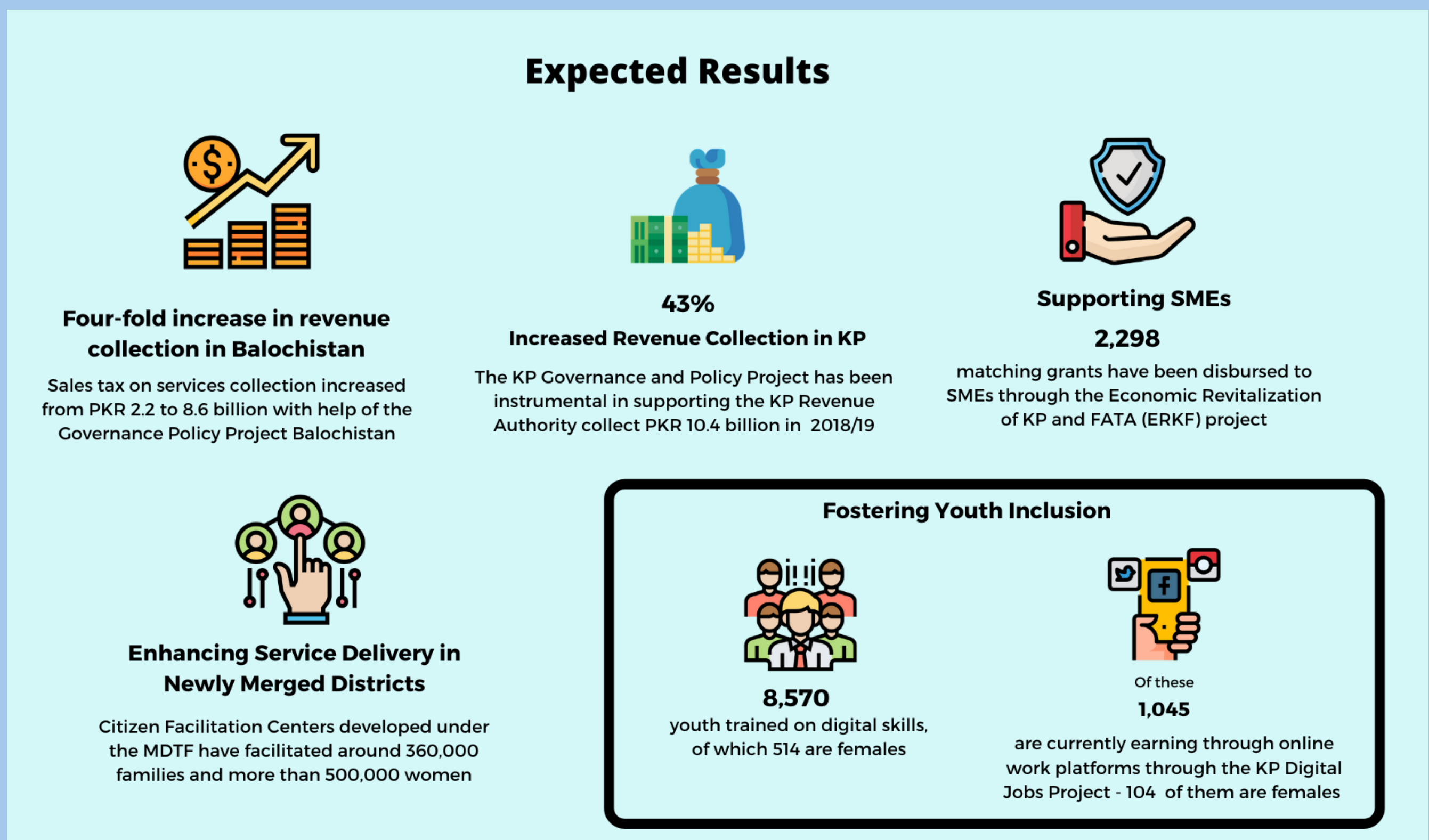
Since then, Kainat has been receiving orders from community members to make cushions, bed covers, pillows and tablecloths. She is now able to contribute to her family's medical and educational needs. Kainat no longer sees her disability as a reason to exclude herself from the community and believes people now look beyond her disability and admire her skills. She hopes to help other disabled girls develop their skills.

Support to policy

The MDTF is implemented in close collaboration with the Government of Pakistan. The Advisory Committee and Steering Committees steer the strategic direction of the MDTF. These are co-chaired by the Government of KP and the Economic Affairs Division of the Pakistan Ministry of Economic Affairs respectively. This arrangement ensures the MDTF aligns with priorities of the Government.

What can we learn from this project?

Operating in areas of fragility can be very challenging. The MDTF offers lessons for similar programmes. These include need for flexibility in approach as situations on the ground can shift and impact implementation. Additionally, projects must be developed in close collaboration with the Government counterparts. It was important to include the Government counterparts as part of strategic dialogue through chairing of the Advisory and Steering Committees. This has ensured buy-in of key stakeholders and helped move projects forward.



EU in Pakistan

The European Union (EU) funds projects and programmes around the world in order to help addressing global and local challenges. The reduction of poverty and the respect of fundamental rights and freedoms are key objectives in this context.

In Pakistan, the EU is committed to a stable, democratic and pluralistic country that respects human rights and benefits from its full economic potential by supporting sustainable and inclusive development for all its citizens. The EU provides Pakistan with about €100 million annually in grants for development and cooperation. Among other issues, the EU supports Pakistan in its efforts to tackle poverty, increase education, promote good governance, human rights, rule of law and ensure sustainable management of natural resources. EU-funded projects are covering all of Pakistan with a special focus on Sindh and Balochistan.

The collaboration between the European Union and Pakistan is grounded in the Strategic Engagement Plan (SEP) signed in 2019. Areas of cooperation under the SEP include peace and security, democracy, rule of law, human rights, and migration but also sectors such as energy, climate change and science and technology.

The EU is one of Pakistan's largest trading partners. The EU supports Pakistan's integration into the world economy and its sustainable economic development, namely by granting it preferential access to the European single market under the GSP+ system since 2014. Under this scheme almost 80% of Pakistan's exports enter the EU duty and quota free. In 2018, Pakistani exports to the EU were worth €6.9 billion.

In order to enjoy the trade preferences under GSP+, Pakistan needs to demonstrate progress on the implementation of 27 international conventions on human rights, good governance, labour rights and environmental protection.

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