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**Swiss Agency for Development
and Cooperation SDC**

Swiss Cooperation Strategy Pakistan

2017-2019

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Preface

Switzerland attributes great importance to Pakistan's political, social and economic development given that a peaceful and prosperous Pakistan is crucial for peace and stability in the region.

The Swiss Agency for Development and Cooperation (SDC) was one of the first development partners to initiate development projects in Khyber Pakhtunkhwa and the Federally Administered Tribal Areas. Having been active in Pakistan for 51 years, the SDC has focused on alleviating poverty, empowering people by improving good governance and livelihoods and supporting disadvantaged population groups in their daily lives. The SDC has also provided extensive humanitarian assistance, such as emergency relief, reconstruction, rehabilitation and prevention as well as preparedness activities before and after natural disasters.

Based on a decision by the Swiss Federal Council, the SDC will phase out its bilateral cooperation with Pakistan by end 2019 in a responsible manner. Thereafter, Switzerland will remain engaged in Pakistan through other foreign policy instruments, including its humanitarian assistance, multilateral partnerships, and through private sector investments.

I am pleased to present the new Swiss Cooperation Strategy for Pakistan for 2017-2019, which has been elaborated together with SDC's development partners in the country, including Pakistani governmental actors. The strategy is aligned with the Government of Pakistan's national and provincial development priorities. It focuses on a consolidation of the successful experiences and lessons learnt by the SDC and other Swiss development actors since their operations started with the Pakistan Hindukush Programme in 2011. The main objectives of this strategy are threefold: 1) support for inclusive and sustainable water governance, 2) increased state-citizenship trust through inclusive and accountable service delivery by governments as well as 3) strengthened human rights proctection and policy reforms.

I trust that through these endeavours, Switzerland will play a meaningful and lasting role in Pakistan's further development.

Sincerely,

Swiss Agency for Development and Cooperation

Manuel Sager
Director General

Abbreviations

ADB	Asian Development Bank	PDMA	Provincial Disaster Management Authority
AIIB	Asian Infrastructure Investment Bank	PHF	Pakistan Humanitarian Forum
CAR	Commission for Afghan Refugee	PILDAT	Pakistan Institute of Legislative Development and Transparency
CHF	Swiss Franc		
CPEC	China-Pakistan Economic Corridor	RF	Results Framework
CS	Country Strategy	SAFRON	The Ministry of States and Frontier Regions
CSPM	Conflict Sensitive Programme Management		
DFID	Department for International Development	SCO	Swiss Cooperation Office
		SDC	Swiss Agency for Development and Cooperation
D.I. Khan	Dera Ismail Khan		
DRM	Disaster Risk Management	SDGs	Sustainable Development Goals
DRR	Disaster Risk Reduction	SSAR	Solutions Strategy for Afghan Refugees
EU	European Union	TDPs	Temporarily Dislocated Persons
FATA	Federally Administered Tribal Areas	UN	United Nations
FDFA	Federal Department of Foreign Affairs	UNDP	United Nations Development Programme
FDMA	FATA Disaster Management Au-thority		
FRRS	FATA Return and Rehabilitation Strategy	UNECE	United Nations Economic Commission for Europe
GDP	Gross Domestic Product	UNHCR	United Nations High Commissioner for Refugees
GIZ	Gesellschaft für Internationale Zusammenarbeit		
		UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
GoP	Government of Pakistan		
HA	Humanitarian Aid	USAID	United States Agency for International Development
HR	Human Rights		
HSP	Humanitarian Strategic Plan	USD	United States Dollars
ICS	Internal Control System	WASH	Water, Sanitation and Hygiene
IDPs	Internally Displaced People	WB	World Bank
IDS	Integrated Development Strategy		
IWRM	Integrated Water Resource Management		
KP	Khyber Pakhtunkhwa		
LOGIN	Local Government Initiative and Network		
LoGo	Local Government		
M & E	Monitoring and Evaluation		
MERV	Monitoring entwicklungsrelevanter Veränderungen		
MDTF	Multi Donor Trust Fund		
NCCP	National Climate Change Policy		
NCHR	National Commission for Human Rights		
NDMP	National Disaster Management Plan		
NDRF	National Disaster Risk Fund		
NDRM	National Disaster Risk Management		
NGOs	Non-Governmental Organisations		
NHN	National Humanitarian Network		
NWP	National Water Policy		
OECD	Organisation for Economic Cooperation and Development		
ODA	Official Development Assistance		
OMR	Office Management Report		
PCNA	Post Crisis Needs Assessment		

1. Background and Context

In recent years, Pakistan has made significant strides in key areas of development. The 18th Amendment to the country's Constitution in 2011 introduced sweeping governance reforms, devolving power from the federal government to the provinces, considerably altering the political landscape of the country. In 2013, Pakistan saw its first democratic transition of power from one civilian government to another, which was a major milestone for a country that has had to deal with several military regimes and general political instability for decades. In 2017, the country took the momentous decision to merge the chronically war-torn and neglected Federally Administered Tribal Areas (FATA) with the adjoining province of Khyber Pakhtunkhwa (KP). This move, to be implemented within a five-year period, will finally enable the historically marginalised people of FATA to become full legal citizens with the same civil and political rights as other Pakistanis. These processes signal a momentum that has the potential to improve citizens' trust in the state, and they open spaces for development also on sub-national levels.

In terms of economic growth also, the prospects for Pakistan are promising. It is one of the fastest growing economies in the world. The country has received greater international investments and entered into lucrative trade deals, most notably the China-Pakistan Economic Corridor (CPEC), which intends to massively build up Pakistan's infrastructure and address its critical energy shortage, creating jobs in the process. Indeed, if reforms continue to overcome obstacles to development, Pakistan can grow to become an upper middle-income country.

Several critical challenges persist, however. Pakistan remains plagued by problems of poverty, social inequality, violent unrest, weak democratic institutions and citizen participation as well as insufficient infrastructure and service delivery. According to the UNDP Multidimensional Poverty Index of 2015, 38.8% of the country's population is poor, especially in the rural areas. FATA is the poorest region of Pakistan with 73% of its people living in poverty. High socio-economic disparity is also likely the cause for political unrest as poverty and lack of education make people vulnerable to co-option by radical extremist groups. These challenges are further exacerbated by the alarming effects of climate change in Pakistan, manifesting increasingly as severe natural disasters including droughts and frequent and intense floods. Water is an increasingly significant source of conflict. Pakistan is one of the most "water-stressed" countries in the world, with a water availability of 1,000 cubic metres per person per year, representing a five-fold drop since Pakistan's independence in 1947. Water scarcity in Pakistan is also a major bone of contention with its neighbour and fellow nuclear power India, with which it has been persistently locked in bitter conflict over territory since the two countries were partitioned seventy years ago. Further adding to this international dimension of Pakistan's struggles is the ongoing conflict in Afghanistan, which has direct consequences for Pakistan's stability.

Even though the Government of Pakistan (GoP) has made serious efforts to reach stabilisation and development, fragility remains a defining feature of the country, especially in KP and FATA. According to OECD-DAC analysis *(State Fragility Report 2015-2016)*, the following issues represent the most important root causes for potential instability and conflict in Pakistan:

Weak Institutions: The state is unable to provide basic services (health, education, water) equitably across regions. Local government institutions in Pakistan have not been able to emerge, build and survive under democratic regimes, since legislative developments have been frequently interrupted by military regimes. The army has significant influence over the political and economic domains of the country, going further than its defence functions; significant parts of the civilian administration are dominated by military appointments. Despite devolution and decentralisation through the 18th Constitutional Amendment, subnational governments woefully lack human and material resources as well as competencies. Devolution of resources and the regulation of fiscal policies remain a challenge and are a source of conflict between the federal and provincial governments. Crucially, state institutions are currently not well prepared to deal with the effects of climate change, especially in the area of water resource management. Subnational institutions need to be especially strengthened in order to tackle localised challenges in localised ways. Trust between the state and citizens is also pretty low in Pakistan due to a general lack of transparency and accountability in the governance system. According to the World Justice Project, only 18% of Pakistanis have a positive perception of their government's accountability, which is the lowest percentage in South Asia.

Inequitable Access to Justice: While some branches of the judiciary enjoy considerable confidence from the population (i.e. Supreme Court), systemic rule of law weaknesses impede access to justice for large parts of the population. The GOP has recently established institutions mandated to improve human rights, including the Pakistan National Commission for Human Rights (NCHR). At the same time, however, it has backtracked on many human rights issues with the introduction of military courts and a dramatic rise in executions. Its armed forces and intelligence agencies continue to be accused of committing grave human rights violations. It thus remains to be seen to what extent the newly created NCHR and associated institutions are able to nurture tangible improvements. The lack of human rights compliance of laws and justice mechanisms (mixing formal and customary systems), illustrated in particular by the application of the law on blasphemy, threaten the rights of specific groups, notably religious, ethnic minorities and women.

Violence: The political instability, poor socioeconomic conditions and weak rule of law have fostered a culture of violence across the country. Much of the violence in the country has an ethnic and sectarian dimension. Radical groups target religious and ethnic minorities with physical aggression. Pakistan ranks fourth in the Institute for Economics and Peace Global Terrorism Index 2016. The presence of radical Islamist groups has been a major issue since the late 1980s and saw an upsurge in terrorism in the decade following 9/11, during which Pakistan witnessed a new wave of terrorism that has hugely impacted the growth and stability of the country. The government launched several military operations to curb this menace. In recent years, Daesh has also made inroads in Pakistan. Furthermore, a growing shortage of natural resources, especially water, is increasingly becoming a flashpoint for further violent conflicts. Because of security constraints in various regions of Pakistan that most urgently require development assistance, humanitarian and development actors are often restricted in their activities and have limited choice of implementing partners.

These critical areas of fragility in Pakistan have especially dire implications for the most vulnerable and marginalised segments of society, namely the poor, the elderly, women, youth, religious and ethnic minorities, persons with disabilities, refugees and internally displaced people (IDPs). Social indicators for these segments are far below the national average. The largest disadvantaged groups include:

Women: Compared to men, Pakistani women have even less access to adequate and decent basic health, education and other public services. Pakistan ranked 141 out of 142 countries in the 2015 World Economic Forum's Gender Gap Index. The 2011/12 Gender Parity index for secondary education and youth literacy at 0.59 and 0.60 respectively are far lower than the Millennium Development Goal target of 0.94 and 1.00. Women's decision-making roles are often limited both in the public and private spheres. Many women also face domestic violence. Other types of gender-based violence, such as bonded labour, acid attacks, sexual violence, honour killings and human trafficking also occur in all classes, religions, and ethnicities, and in both urban and rural areas. There are very few shelters for women, who are victims of domestic violence, and women often have difficulty obtaining justice against perpetrators of gender-based violence. During a disaster, women are more vulnerable due to limited mobility and lack of awareness on Disaster Risk Management (DRM) measures, especially in the conservative cultural context of KP and FATA. Similarly, women face specific issues in terms of sexual and gender-based violence in times of crisis.

Religious and Ethnic Minorities: Ahmadis, Hindus, Christians and Shias are among the religious minority groups, who face discrimination and violent hostility from majority groups. The protection the state offers to minority groups is inadequate and hate crimes are rarely persecuted, which has led to a general culture of intolerance and impunity. There has been a recent upsurge in mobs and violent vigilantes attacking such minorities as well as Muslims, who are perceived as having dissenting opinions, as punishment for alleged blasphemy.

Refugees and IDPs: According to the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), Pakistan was hosting over 1.4 million registered and an estimated 0.7 million unregistered Afghan refugees as of May 2017. Since 2008, the long-running militancy in the country and the forceful military response have resulted in over five million IDPs. Pakistan is neither a signatory to the 1951 Convention relating to the Status of Refugees nor to its 1967 Protocol. Nevertheless, the government has upheld the temporary protection space and provided Afghan refugees with access to basic services, such as healthcare and education, over the years. However, refugees and IDPs are confronted with heightening social tensions with host communities, which are becoming increasingly fatigued, and the situation has further undermined people's trust in the state.

In order for the various challenges to be met, the country's institutions must be strengthened. This is the only way to address the basic needs and development challenges the population is faced with and to build a relationship of trust and accountability between the state and its citizens. State-building efforts would tie in neatly with efforts to manage Pakistan's water resources, which cannot be done without an effective and responsive government, especially at the subnational level.

2. Swiss Foreign Policy Objectives and International Support

As an important player in the Asia Pacific Region, which according to many specialists has become the new centre of global politics, Pakistan is of high interest for Switzerland's bilateral relations. A peaceful, stable and prosperous Pakistan is key to peace and stability in the South Asia and Central Asia regions, especially in the light of the battle against international terrorism.

Switzerland and the Islamic Republic of Pakistan have maintained a longstanding relationship of over half a century, with the first agreement on Technical and Scientific Cooperation signed between the two countries in 1966. Since then, there have been numerous bilateral agreements between them in fields as wide-ranging as investment protection, debt consolidation, aviation, double taxation and disaster relief. Switzerland also engages in regular political dialogue with Pakistan; the ninth round of talks was held in November 2016 in Islamabad.

A range of economic agreements has aided the development of bilateral trade. Switzerland has traditionally run a trade surplus with Pakistan and has been one of the country's biggest direct investors for many years. Many Swiss companies operate in Pakistan, and some even have their own production sites there. Most of these firms are based in Karachi and employ a total of around 12,000 people.

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's International Cooperation Agency within the FDFA and is responsible for the overall coordination of development cooperation as well as for the humanitarian aid delivered by the Swiss Confederation. The SDC was one of the first development partners to initiate development projects in KP and FATA, focusing on forestry and agriculture in the initial years. Having been active in Pakistan for 51 years, the SDC has focused on alleviating poverty, empowering people by improving good governance and livelihoods and supporting disadvantaged population groups in their daily lives. The SDC has also provided extensive humanitarian assistance such as emergency relief, reconstruction, rehabilitation and prevention as well as preparedness activities before and after natural disasters

In 2008, the Swiss Federal Council decided that Pakistan would no longer be a priority country for SDC's bilateral cooperation. However, based on a 2009 decision by the Federal Council to further engage in the Hindukush region to contribute to the reduction of fragility, the SDC continued its work specifically in KP and FATA. In March 2017, the Federal Council decided that the SDC would phase out its bilateral cooperation with Pakistan by 2019 in a responsible manner. Thereafter, Switzerland will remain engaged in Pakistan through other foreign policy instruments, including its humanitarian assistance in emergency situations and multilateral partnerships, and through private sector investments.

Priority areas of intervention as well as aid modality are in line with the New Deal for Engagement in Fragile States and its five Peace- and State-building Goals. Regarding the protection of people, the Swiss programme in Pakistan is in line with the FDFA's respective strategies.[1] Other aims of the Swiss Development Policy globally, which also applies to Pakistan, include the mitigation of the global risk of water crises. The Swiss programme in Pakistan will mainly contribute to the Sustainable Development Goals (SDGs) aiming at gender equality (SDG 5), clean water and sanitation (SDG 6), reduction of inequalities (SDG 10), peaceful and inclusive societies (SDG 16) and disaster risk reduction (SDG 13).

Besides the largest development actors such as the World Bank, the United States Agency for International Development, the Asian Development Bank and United Kingdom's Department for International Development, there are a number of medium-sized donors active in Pakistan, including Germany, the EU, the UN, Japan, Australia and Canada. Being a relatively small donor, actively coordinating with all these actors is one of Switzerland's priorities. At the provincial level, donor coordination platforms are well established in KP, and SDC actively participates in the respective fora. The SDC is also part of the EU Development Counsellors Meeting. There is particularly close coordination with like-minded donors in the field of local governance.

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1. E.g. Strategy for the Protection of civilians in armed conflict

3.   Results of Swiss Contributions in the Country from 2012 to 2016

Over the 2012–2016 period, Swiss support in KP and FATA focused on rural livelihoods as well as local governance and human rights. An independent evaluation of the programme conducted in 2015 confirmed the relevance of these domains/themes and the targeted geographical areas of SDC intervention. Interventions were generally assessed to have yielded significant results on local level, but still lack traction on policy levels. The recommendations of the evaluation focused on how to further improve existing portfolio results through up-scaling, increased policy dialogue and gender mainstreaming and a more consistent management for results. The evaluation highlighted the following positive qualitative outcomes.

Rural Livelihoods

Over the course of six years more than 500,000 households in KP and FATA were able to increase their incomes through capacity building, organisational development (collaborative enterprises) and value chain development. Interventions in the area of water management contributed directly to Pakistan's Water Vision 2025 with its focus on the provision of adequate and equitable water supply for drinking and irrigation to meet the needs of all users. These interventions delivered significant improvements for vulnerable livelihoods in some of the neediest areas of KP province. These interventions were based on long-term experience in integrated water resources management, water conservation and efficient water use, which are all cornerstones of current water strategies. Through its close collaboration with the relevant government line agencies, it developed a platform for the upscaling of promising results beyond the project mandates.

Through SDC's support, the supply of sufficient electricity in Chitral is more than just lighting homes; it has increased productivity at the household level and reduced workloads in rural households, particularly for women.

The relationship and dialogue for development between local authorities and citizens have partially been improved through the support of the FATA Development Programme, which has built the capacities of civil society, private sector actors and representatives of initiated communal administrative structures.

Following the successful emergency response to the devastating floods in 2010, the SDC delivered reconstruction and rehabilitation projects in the domains of public infrastructure (e.g. schools) and community-managed safe drinking water schemes. In KP, 87 schools were built (disaster-resilient) or rehabilitated, providing more than 16,000 students (20% girls) with a safe learning environment. In order to also provide support to the victims of natural disasters in the province of KP, the SDC supported measures at the community level and with local governments. The interventions also aimed at improving the living conditions of refugees and IDPs. Besides undertaking direct implementation, the SDC has also provided considerable support through bi- and multilateral partner contributions as well as the secondment of experts to the UN.

Local Governance and Human Rights

The SDC has focused on bringing the citizens closer to the state through improved access to justice and strengthened local governance in KP and FATA. In 2016, the Pakistan Institute of Legislative Development and Transparency (PILDAT) released Pakistan's first-ever Provincial Rule of Law Index, rating KP highest among Pakistan's four provinces.

The SDC has contributed to improving rule of law by building the capacities of the judiciary and the police, and strengthening legal aid systems and alternative dispute resolution mechanisms. A special emphasis on gender led to an increased number of women legal practitioners as well as better access to justice and public services, especially to public safety nets by women. By building the capacity of the police on their role in the elections, the SDC contributed to relatively free and fair elections in 2013.

Through its advocacy with the government and secondment support to the United Nations High Commission for Refugees (UNHCR), the SDC helped provide better protection for Afghan refugees. The improvement of governance and rule of law in KP (facilitated by SDC projects), which has been accompanied by upscaling security and decreasing fragility of the region, reinforces the validity of the Concept Note's (2012-2014) hypothesis of change.[2]

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2.   Poor service delivery, limited access to justice, lack of education and deficient mechanisms for political participation are among the core issues of fragility in northwestern Pakistan. Addressing these issues contributes to improved relations at local level and to enhance the legitimacy of the state, thereby reducing fragility.

The 2016 Fragile States Index report showed improving trends for state legitimacy, human rights and rule of law for Pakistan over the period 2012-2016. Similarly, a 2015 UNDP study on Alternative Dispute Resolution revealed that 80% of the respondents in KP intended to approach the police for conflict resolution. A change in people's preference for jirga to formal institutions is a testimony to increased public trust in the formal system.

Another of SDC's achievements is the continued progress of the SDC-supported Protection Unit in the FATA Disaster Management Authority (FDMA). In FATA, SDC's dialogue with and support to authorities has helped to develop a long-term assistance and integration strategy for IDPs. The Protection Unit is in charge of taking care of the displaced population of FATA. With enhanced institutional capacity, the FDMA has successfully found a durable solution for 1.2 million IDPs. SDC's technical and financial support has also contributed to UNHCR's efforts to find durable solutions for Afghan refugees.

These results, which have been achieved in close collaboration with partners and local stakeholders over a long-term period, have the potential to contribute to the stabilisation and reduction of fragility.

4. Implications for the Swiss Cooperation Strategy 2017 – 2019

With its support in improving subnational and local governance in KP and FATA, including in the specific realm of water governance, the Swiss programme addresses existing and potential conflicts. The wars in Afghanistan as well as widespread violence in Pakistan caused by militancy and the military action to combat it heavily affected KP and FATA, and resulted in a protracted humanitarian crisis. Water is becoming an increasingly scarce resource, its dearth a threat to the already fragile social cohesion in the

provincial and community levels. This will reduce tensions around access to water (in appropriate quantity and quality), increase inclusive benefits for all potential water uses and reduce damaging impacts from hydrological extremes. Building up on the previous experiences and engagement in DRR, the SDC will continue to collaborate and strengthen the capacity of provincial and districts authorities with respect to the specific policy domains, emphasising the link to water governance. Through

region, risking the aggravation of conflict by adding to citizens' dissatisfaction with the provision of services by the state.

The Pakistan Programme 2017-2019 will consolidate previous support provided in the fields of water governance and local state-building to KP and FATA, focusing on the most disadvantaged segments of the population. By intensifying sector-specific policy dialogues with the relevant authorities of KP and FATA, the consolidation will upscale and institutionalise the achieved results. The engagement is in line with Swiss foreign policy goals and responds to a protracted humanitarian crisis in a fragile context. Swiss know-how and experience will be leveraged through the different instruments of Swiss Development Cooperation (South Cooperation, Humanitarian Aid and the Global Cooperation, especially the Global Water Programme) and through links with Swiss think tanks (e.g. Geneva Water Hub), NGOs and the private sector.

Switzerland will support Pakistan on its way out of fragility by improving water governance at state,

its investment in the area of water governance, Switzerland also acts upon its responsibility vis-à-vis its own water footprint in the Indus Basin.[3]

Furthermore, local state-building will be targeted at provincial and local levels in the framework of the ongoing devolution process, contributing to more accountable and inclusive decisions-making processes, institutions and service delivery, as a way to strengthen resilience of society and the state. Interventions will also continue to specifically target IDPs and refugees, with a focus on human rights and protection, supporting sustainable solutions for refugees and long-term reintegration strategies of IDPs in their place of origin.

One of the major strengths of Swiss interventions, the proximity to the field and to beneficiaries, will be maintained while policy dialogue on regional and national levels will be strengthened to sustain and capitalise on past results.

3. 82% of the virtual water consumed in Switzerland was used for the production of goods and services that are imported abroad. Looking at the water basins with high water scarcity, the Indus Basin (with eight-month water scarcity) is the region where the second most products come from (source: Swiss Water Footprint, 2012).

5.

Priorities, Objectives and Impact Hypotheses

In this last Cooperation Strategy of SDC in Pakistan, the overall goal of Swiss Cooperation in Pakistan is the reduction of conflict and its causes in KP and FATA. An integral component of the Cooperation Strategy is to contribute to the creation of an enabling environment that fosters greater respect for human rights, particularly of the most disadvantaged members of Pakistani society. The results that the SDC intends to achieve through its Cooperation Strategy are illustrated in the Results Framework (Appendix 2). The Framework focuses on two main domains – Water Governance and Local State Building.

Domain 1: Water Governance
Through SDC interventions in the Water Governance domain, people in KP and FATA, especially the disadvantaged groups, will benefit from sustainably managed water resources. With a view to best consolidating SDC's past experiences, two main outcomes are identified under this domain. The first outcome will focus on developing government capacities to implement principles of Integrated Water Resource Management (IWRM) at the policy and implementation levels. The SDC will provide value addition through shared experiences and technical reinforcements, and will offer support through facilitating dialogue and capacity-building interventions. The second outcome strives to achieve sustainable water management and access to quality water and sanitation facilities for multiple users at the local level. An expected impact of this outcome is to harness a bottom-up approach, empowering marginalised and vulnerable groups. It is anticipated that sustainable water resource management will become an inclusive process whereby empowered communities will be able to participate at all levels of water governance and management processes in the KP and FATA region. It is also expected that this will help effectively mitigate water-related hazards and subsequent conflicts.

These interventions will also ensure equitable access to water and are expected to reduce impacts of water extremes. Similarly, a strong focus will be on strengthening the capacities of the KP government to develop and implement comprehensive policies and legal frameworks for the sustainable and productive use of water resources. For this purpose, reliable and relevant water data that recognises good practices in IWRM will be collected. This will also include experiences from the field, leading to an evidence-based policy dialogue. Where feasible,

opportunities for IWRM policy dialogue will also be considered to further discussions on transboundary water management.

Sustainable access to water and the prevention and mitigation of water-related hazards will improve wellbeing, encourage livelihood opportunities and reduce possible causes of conflict. DRM will be an important dimension in all interventions to protect people and their assets from natural hazards, thus increasing their resilience. Special consideration will be given to the inclusion and needs of the most disadvantaged groups, especially women. Closer coordination with the Swiss Embassy in Pakistan will foster policy coherence and allow exploration of potential synergies with the Swiss private sector.

Domain 2: Local State Building
For many years, the SDC Pakistan has been involved in strengthening local governance in Pakistan, which is considered a key dimension for peace- and state-building in the fragile regions. During the phasing-out period of SDC in Pakistan over the next three years, these experiences will be consolidated. To reduce the fragility of both KP and FATA, the SDC will contribute to increasing the trust between the people and the state through strengthening the capacity of the provincial and local governments. This aims to provide inclusive and accountable services and protect their citizens, especially the most vulnerable groups.

The SDC will build the capacities of the government to develop participatory development plans and budgets that cater to the needs of the people. The people's access to justice will be increased through establishing legal aid desks, institutionalising legal aid within bar associations, creating an enabling environment for female practitioners and litigants, and enhancing the conflict resolution capacity of the people.

The two domains of Swiss Cooperation Strategy in Pakistan are interrelated. Water governance is an important aspect of local governance and of the well-being of the people. The strengthened capacities of the newly decentralised local state structures, together with improved capacities of communities to participate in public affairs, are crucial for the legitimacy of state structures and the success of improved and accountable water governance. Entry points are state structures at the national, provincial and local levels as well as

communities. State structures will be supported to provide spaces and mechanisms ensuring more inclusive and accountable decision-making processes and services. Citizens will be empowered to take a more active role and claim their rights.

Besides these two main domains, the SDC will complement its portfolio with targeted interventions in the area of arts and culture, in their capacity to promote freedom of expression, peaceful relations and sustainable development. In particular, culture will be considered a connector in its contribution to foster mutual understanding and tolerance between communities while recognising the value of the broad and multi-faceted cultural heritage of Pakistan (e.g. support to Taxila museum, Kalash community). Furthermore, the SDC Pakistan will use visual arts as a way to raise public awareness about the SDGs and create linkages with Pakistan's neighbouring countries. In a phase-out perspective, institutional partnerships with Switzerland will be fostered.

Building on SDC's past interventions, the geographical focus will be on the cluster of the Malakand Division in KP, the southern D.I. Khan division, central KP (Peshawar and Merdan) and the four northern FATA agencies (Bajaur, Khyber, Kurram and Mohmand). Institutionalisation processes ensure a scaling-up and broader geographical impact.

Gender, good governance and Disaster Risk Reduction (DRR) are addressed and integrated systematically in the portfolio to safeguard investments, including as specific indicators in the Results Framework. DRR mainstreaming is most relevant for water governance, where the sustainability of water-related infrastructure and services is at stake. DRR is also a specific action line to improve the mitigation and management of natural hazards, such as floods, droughts, etc. A human rights-based approach will be applied throughout the programme.

In line with the principles of the New Deal for engagement in Fragile and Conflict-Affected Contexts, which is an important reference for Swiss development cooperation, the project portfolio will focus on contributions such as the Multi Donor Trust Fund (MDTF) or joint funding with Germany or other like-minded donors to support inclusive, country-led and country-owned transitions out of fragility. This will also provide SDC with an opportunity to offer its support to national policymaking.

The total budget for this Country Strategy period is CHF 34 million.

6. Programme Implementation and Management of the Strategy

In line with the phasing-out of SDC's bilateral cooperation in Pakistan, all efforts in the 2017-2019 period will be focused on ensuring consolidation of ongoing efforts, transfer of knowledge to local partners, and sustainability of SDC's interventions. The SDC will seek to institutionalise key project outcomes at government as well as civil society levels for lasting impact that can be even further built upon by other actors once SDC's bilateral cooperation in Pakistan has ended. An integrated approach with other foreign policy instruments of the Swiss Embassy will be further pursued in particular with regard to communication, possible public-private development partnerships (PPDPs), transboundary water issues and human rights. A detailed phasing-out plan for SDC's South Cooperation is being developed, highlighting amongst others communication aspects, human resources aspects and most importantly the sustainability of its interventions.

Moving forward, emphasis will be on policy dialogue combined with technical assistance, multilateral contributions and targeted interventions directly with the government of Pakistan at different levels. Existing trust funds will provide a platform to engage the government on policy actions to strengthen social accountability, address water governance and foster protection and inclusion. This engagement will be strengthened through complementary engagement on political level through other instruments of the Embassy on the same topics. DRR will also remain a working modality in all development interventions as Pakistan is prone to frequent localised disasters such as floods and droughts as well as occasional earthquakes. In order to further support the Government of Pakistan's efforts in sustainable state building, including governance and public administration reform, Switzerland examines opportunities to work on-budget and cooperates directly with the government in view of strengthening subnational government institutions.

In order to capitalise on its 51 years of experience in Pakistan, the SDC will look at lessons learnt and best practices regarding projects, domains and the overall country programme. Wherever possible field visits will take place together with government counterparts. Documenting this know-how will be an important basis and means for participating in policy dialogue and state-owned sustainable processes. The SDC will focus on how to use its extensive experience-based knowledge and feed it into the relevant policy dialogue fora (e.g. National Disaster Risk Fund, Multi Donor Trust Fund, project steering committees, donor coordination groups with the government).

Partnerships with other like-minded donors, i.e. those sharing the same thematic and geographic priorities in Pakistan, will be strengthened. This corresponds to the mutual interest to gain leverage and make an impact in the policy dialogue and throughout the existing national and provincial donor coordination platforms. For SDC, partnerships with actors that will remain involved in Pakistan with a long-term strategy offer an additional guarantee for sustainability. For instance, the partnership with Germany in support of local governance reforms provides a key platform for the capitalisation, institutionalisation and scaling-up of SDC's governance interventions invested in the past. They will continue SDC's engagement to foster accountable and inclusive institutions and service delivery in the targeted areas, particular in the water sector, such as citizen's engagement in local decision-making processes, participatory models for water management planning, integrated water management schemes implying horizontal and vertical coordination, cross-sectorial planning, local resource mobilisation, social audits processes, etc.

In view of the phasing-out of SDC's bilateral cooperation, stronger linkages with other Swiss (e.g. Geneva Water Hub), regional (e.g. LOGIN) and global networks will be pursued. In particular, synergies with SDC's Global Programmes, such as for water, will be strengthened. Potentials for Public Private Development Partnerships will also be explored during the 2017-2019 period.

According to SDC's culture strategy, the SDC Pakistan will continue to seek to support local cultural endeavours in Pakistan and help artists from Pakistan reach audiences and access markets and cultural industry networks in Switzerland (e.g. Locarno Film Festival, Geneva Human Rights Festival, ArtBasel) and worldwide.

In its interventions in Pakistan, Switzerland pursues a context- and security-sensitive as well as result-oriented development cooperation. A thorough multifaceted analysis of the context is the starting point of Swiss interventions. Understanding the context and relationships between different actors

ensures that Swiss activities do not exacerbate tensions, but help defuse them and contribute to better social cohesion. SDC's projects are geographically clustered and balanced across KP and FATA. The resulting synergies between interventions improve their effectiveness and relevance.

In a fragile environment, the security of staff and partners is of utmost priority. In line with this, SDC will continue coordination and regular exchanges with relevant partners and multinational donors. Furthermore, the presence of an SDC liaison officer in Peshawar allows not only a link to governmental institutions in KP and FATA, but also a closer understanding of the local context and ongoing processes.

Human rights are the basis and benchmark of the Swiss programme in Pakistan. This implies the strengthening of right-holders and duty-bearers, while emphasising principles such as non-discrimination, participation and accountability. The strengthening of Pakistani institutions and the promotion of women's and men's political participation is the core of the Swiss Cooperation Strategy. Throughout all Swiss interventions, particular emphasis is laid on the inclusion of the most disadvantaged groups in the population. Transparent communication and participatory planning mitigate the risk of elite capture and improve acceptance of disadvantaged groups among governmental institutions and partners. The beneficiaries of SDC's programming in Pakistan will particularly include women, IDPs and refugees, as well as religious and ethnic minorities.

Within the Swiss Embassy, workforce diversity is promoted as a means to gain context understanding and to capitalise on the strengths of diversity. Special efforts are undertaken to improve the gender balance at SDC.

As this will be the last fully-fledged programme cycle for bilateral development cooperation in Pakistan, sustainable completion of operations and related institutional learning, adequate support for local employees and the provision of follow-up capacities beyond 2019 will be a focus within the Swiss Embassy in Islamabad.

7.   Strategic Steering

Context Analysis

Contextual risks are closely monitored and programme implementation will be adapted according to different scenarios (Appendix 3 – Scenarios 2017-2019, and Appendix 4 – Programme adaptations per scenario). The SDC uses an integrated set of tools to monitor the context throughout the year and adapt the programme where necessary. Through the consistent application of Conflict Sensitive Programme Management (CSPM) principles, Switzerland reduces the risk of inadvertently causing harm through its interventions.

Programmatic Planning and Steering

Risk management is emphasised in specific projects as well as in strategic steering decisions. The way results are achieved, based on the Results Framework (Appendix 2) is assessed annually and summarised in the Annual Report, which is the main instrument for results monitoring and reporting. It also includes analytical conclusions about the most successful approaches and major challenges faced in the programme implementation along management objectives. Regular reviews of the annual planning as well as consultations and workshops with partners are the basis for programme adaptations. During the 2017-2019 period, the scope for major programme adaptations will be limited as it is the consolidation phase of SDC's engagement with Pakistan.

Achievement of project objectives is regularly monitored and summarised in progress reports. As a rule, project visits are an important part of Swiss monitoring. In some parts of the country, however, direct monitoring continues to be difficult. In such cases, Switzerland partially relies on mandated partners to monitor projects. These partners usually work with local organisations with a long-established presence in the area, which gives them safer access. For more information on the monitoring system, see Appendix 6.

Management Instruments and Institutional Risks

A sound security management is crucial in Pakistan. The SDC works with a comprehensive security management system, which is part of the setup within the Embassy of Switzerland. Its constant reflection on changing dynamics is based on independent security information and analyses from reliable sources. Regular security missions from headquarters monitor the context in the field and at country level.

Besides security risks, fiduciary failure in general and corruption in particular also pose institutional risks. In order to mitigate these risks and ensure accountability, the SDC has a well-performing internal control system, including partners assessments, which is the basis for its annual reports. Yearly external audits verify the soundness of financial and administrative processes. Regular monitoring of financial planning and effectively realised disbursements ensure compliance with the overall volumes of official development assistance committed during the strategic period.
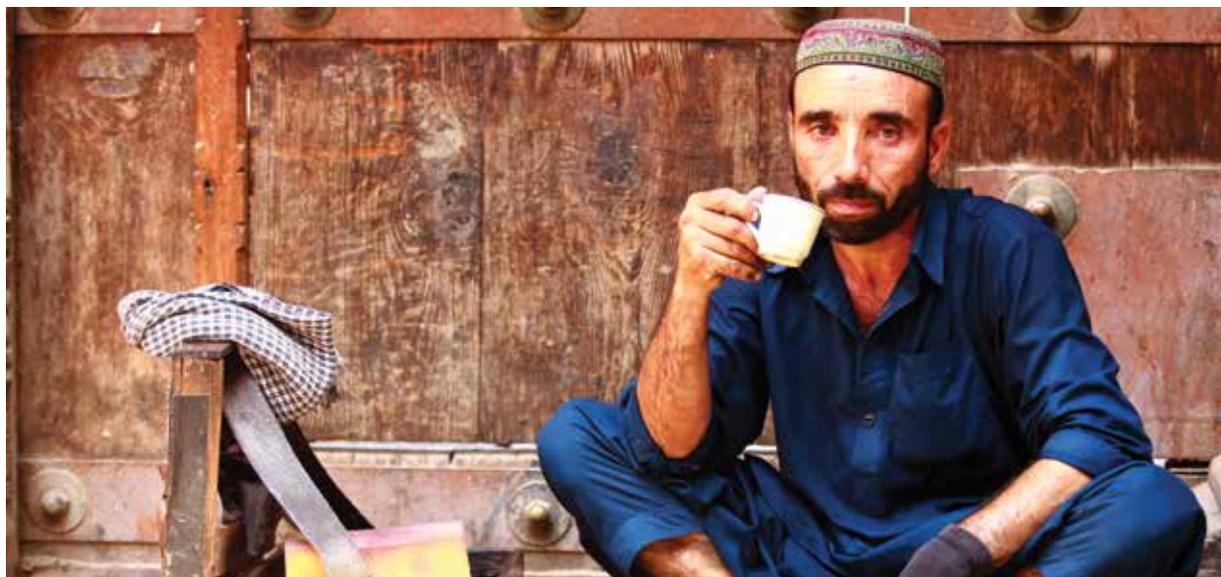
8. Appendices

Appendix 1 - Map of Pakistan

The SDC is focusing on Khyber Pakhtunkhwa province (orange) and the Federally Administered Tribal Areas (yellow) of Pakistan

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Swiss Agency for Development and Cooperation (SDC) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries

Appendix 2 - Results Framework

Overall Goal	Contribute to the reduction of conflict causes in KP and FATA, through the strengthening of state and society resilience and to a better respect of human rights, in particular of the most disadvantaged groups (such as women, IDPs and refugees as well as religious and ethnic minorities).

Domain 1: Water Governance	The people in KP and FATA benefit from sustainably managed water resources that ensure equitable access and reduced impact of water extremes.	
(1) Swiss portfolio outcomes	**(2) Contribution of Swiss Programme**	**(3) Country development and humanitarian outcomes**
Outcome statement 1.1: Governments in KP and FATA have strengthened capacities to develop and implement policies for integrated water resources management. **Indicators:** - 1.1.1 Number of effective, inclusive and comprehensive water policies, laws, strategies and plans related to access to drinking water, sanitation and hygiene, Integrated Water Resources Management developed and implemented in FATA and KP by end 2019. **(Aggregated Reference Indicator: W2)** *Baseline 2016 and targets by end 2019 to be defined by September 2017.* **Transversal theme "DRR":** - 1.1.2 Number of KP and FATA governmental entities that have adapted, modernised or es-tablished DRM systems (with links to water governance) in line with the Sendai framework by end 2019. **(Aggregated Reference Indicator HA6)** *Baseline 2016 and targets by end 2019 to be defined.*	Water governance will be enhanced through contributing to the finalisation and implementation of national and local/provincial (FATA, KP) water and climate change policies, disaster management plans (DR Roadmap), integrated development strategies, drinking water policies and sustainable return and rehabilitation strategies. Evidence-based inputs (experience from Swiss programmes, IWRM experiences) will support the policy dialogue and implementation of plans and strategies together with capacity building on local government and community level. Specific policies and strategies of the Swiss programmes to contribute to their finalisation, reform or implementation are: IWRM policy for KP does not exist. SDC will contribute to the development of this policy in the light of the draft National Water Policy (2015). KP Drinking Water Policy. The institutions entrusted with the National Disaster Management Plan 2012 and the respective policy will be informed about IWRM experiences at provincial and local levels thus strengthening Pakistan's DRM capacities. The National Climate Change Policy 2012 will guide the Swiss programme in KP and FATA. These will be communicated in appropriate form by SDC. The FATA Water Policy will direct all Swiss interventions in FATA. The DRM road map of KP is supported especially by achievements under outcome 2. In KP, the Swiss programme interventions will support the implementation of the KP Integrated Development Strategy and KP's Drinking Water Policy **Programme risks and challenges:** Risks for the adoption and implementation of all strategies and plans include the 2018 elections, for which campaigning will already start in 2017. The elections may delay progress and lead to lack of continuity in major government policies, increased insecurity causing reduced operating space for SDC and its partners, non-availability of qualified partners because of lack of government permissions to access programme areas, or a military coup compromising the democratic institutions in the country.	**Outcome statement 1.1:** Institutional mechanisms are in place for effective and efficient administrative services and evidence-based programme planning and implementation to sustainably manage all sources of water (surface, subsurface, rain) and their sectoral and regional allocations (agriculture, industry, urban or DRM purposes). (KP Integrated Development Strategy (IDS) 2014, the Pakistan Vision 2015 and the National Disaster Management Plan) **Indicators:** - SDG 6.5, 6.6, 6.a., 6.b., 11.5, 11.8, 11.9 - National Water Policy draft finalised - National Water Commission established - Number of people suffering from water scarcity reduced (NCCP 2012; SDG 6.4) - Food security (NCCP, 2012; SDG) - Integrated water resources management in place at all levels (laws and regulations required for efficient water resource management and a groundwater regulatory framework enacted and enforced; NCCP 2012, SDG 6.5) - Water conservation, reduced irrigation system losses and incentives for adoption of more efficient irrigation techniques provided (NCCP, 2012) - Increase in revenue collection and efficient/effective administrative services - Public awareness campaigns to underscore the importance of conservation and sustainable use of water resources (NCCP 2012) - Public-private partnerships promoted for enhancing access to drinking water and sustainable operations and maintenance of water supply systems (KP IDP) **DRR and climate change:** - Resilience and adaptive capacity to climate-related hazards and natural disasters reduced (NCCP, 2012; SDGs targets 13.1) - Climate change measures integrated into national policies and planning SDG 13.2 - Customised DRM checklist available in FATA to regulate all infrastructure projects, including soft interventions such as community- and agency-specific DRM plans and ancillary training (FRRS, 2015)

Outcome statement 1.2: Communities in KP and FATA sustainably manage their local water resources ensuring inclusive and equitable access, especially for the most disadvantaged groups		Outcome statement 1.2: Empowered communities sustainably manage their local water resources and participate at the institutional level in the planning, monitoring, implementation and maintenance of water supply systems and conservation systems. *(KP Drinking Water Policy, FATA Drinking Water Policy, National Climate Change Policy 2012 and Solutions Strategy for Afghan Refugees SSAR 2012)*
Indicators: - 1.2.1 Number of people (gender disaggregated) gained new access to safe and affordable drinking water (including WASH) in KP and FATA by end 2019 **(Aggregated Reference Indicator W3)** *Baseline 2016 and target value end 2019 to be determined by December 2017.* - 1.2.2 Number of people (gender disaggregated) gained new access to adequate and equitable sanitation and hygiene (including WASH) in KP and FATA by end 2 019. **(Aggregated Reference Indicator W4;** *Baseline 2016 and target value end 2019 to be determined by December 2017 (data on refugees and IDPs)* **Transversal theme "DRR":** - 1.2.3. Number of persons (gender disaggregated) benefitting from locally implemented DRM measures by end 2019 **(Aggregated Reference Indicator HA5)**		**Indicators:** - SDG 6.1 / 6a / 6b, 6.2, 11.5 / 11.a / 11.b / 11.c - Increased drinking water coverage in FATA and KP (SDG 6.1) - Active participation of farmers in water management along with line departments by accelerating implementation of participatory irrigation management reforms encouraged (NCCP, 2012) **Gender:** - Improved access to equitable hygiene and sanitation for all and reduced open defecation paying special attention to the needs of women and girls in vulnerable situations (SSAR 2012; SDG 6.2)

(4) Lines of intervention (Swiss Programme):

In line with the phasing-out of SDC's bilateral cooperation, all efforts are focused on curtailing ongoing activities to ensure a sustainable departure from Pakistan. As part of this exit phase, institutionalisation of key outcomes from various SDC-implemented projects will take place. For this purpose, efforts to implement measures leading to sustainable and effective water governance in SDC's areas of intervention are considered.

Institutional perspective:
The programme will intervene on systemic level mainly, allowing for strengthening partners' capacities to provide services in the water sector. Interventions include:
– ongoing policy dialogue with partners at national (e.g. through MDTF or NDRM) and at KP and FATA levels
– advocacy and institutional strengthening in view of policy development and implementation
– commissioned studies (including feasibility and assessment reports for IWRM implementation)
– DRM mainstreaming and DRM secondment at WFP
– development of and access to data bases
– creating knowledge-sharing opportunities within the country as well as with Swiss and international institutions (e.g. UNECE)
– appropriate response to humanitarian needs in the water sector will be considered (e.g. WASH, DRR, irrigation, watershed management etc.) as per need
– facilitate in harnessing AIIB support to the KP government as a possibility to upscale SDC's micro-hydel initiatives in the KP region. Target for 2017-2018 is to facilitate the development of a feasibility study to explore possibilities of further engagement and coordination.

People-centred perspective:
Local communities will be involved in the implementation of projects and participate in the following types of activities, whenever possible:
– Local capacity-building for Water Governance and DRM, including mainstreaming based on hazard, vulnerability & risk assessment. Related to the above indicator, x persons have built their capacities in DRM (Aggregated Reference Indicator HA6 / SDG 11.5 / 11.a / 11.b / 11.c) Selected small community-based infrastructure projects, for instance for energy production.
– Public private partnerships that may be realised to improve capacities and services in the water sector (in close collaboration with the Global Programme Water/Food Security)

Stakeholder coordination perspective:
– Local communities will be involved: SDC in Pakistan has a long-standing experience in water resources management at community level. The ambition of this strategy in the water sector is to bring the existing positive results to the policy level at district, province/agency and national levels. It is therefore important for the implementing partners and other stakeholders involved in projects achieving these two outcomes to regularly meet and exchange. This will be assured through SDC partner coordination meetings twice a year and SDC's participation in relevant donor coordination group meetings (e.g. with EU countries).

(5) Resources, partnerships (Swiss Programme):

2017: 3.5 million CHF (South Cooperation) +2.5 million CHF (Humanitarian Aid)
2018: 3 million CHF (South Cooperation) +2.5 million CHF (Humanitarian Aid)
2019: 1 million CHF (South Cooperation) +1.2 million CHF (Humanitarian Aid)
2020: 0.5 million CHF (South Cooperation) +0.6 million CHF (Humanitarian Aid) - Final payments, administrative closure
2017 – 2020: 14.8 million CHF (South Cooperation and Humanitarian Aid)

Domain 2: Local State-Building	The trust between the people in KP and FATA and the government is increased through inclusive and accountable services, strengthened human rights protection and policy reforms.	
(1) Swiss portfolio outcomes	**(2) Contribution of Swiss Programme**	**(3) Country development or humanitarian out-comes**
Outcome statement 2.1: Local government reforms and improved service delivery in KP and FATA benefit all, especially the most disadvantaged groups. **Indicators:** - 2.1.1. Number of local governments that inform the citizens in a transparent manner, include them in decision-making processes and consider citizens' interest in local development plans activities and budgets **(Aggregated Reference Indicator GO1, Measuring unit 1)** - 2.1.2. Number of supported local governments that take targeted measures for inclusive participation of women and disadvantaged groups and to address their priorities and concerns **(Aggregated Reference Indicator GO1, Measuring unit 2)** - 2.1.3. Number of citizens who confirm that their needs and interests have been taken into account in strategic decision-making, including development planning **(Aggregated Reference Indicator GO1, Measuring unit 3)** - 2.1.4. Percentage of representative citizens (gender disaggregated) who believe that the service delivery of the state is increasingly oriented towards the needs of the population. *Baseline and end-line assessments of local govern-ment (LoGo) project. Baseline to be determined by Nov 2017*	The programme intervenes mainly on the system/institutional level with potential key pilots in diverse geographical local contexts of KP and FATA to feed in an informed way the ongoing legislative and policy reforms, in particular the local government act(s) and human rights protection. Contributions apply to both structural reforms (devolution process/ local government act) and specific sectorial reforms (judiciary). Linkages with Domain 1 on Water Governance are ensured. They foster inclusive and accountable mechanisms and services, enhancing the accountability and legitimacy of the institutions. Specific coordinating role may be taken by the SDC in line with the Strategic Development Partnership Framework. Context specific approaches and modalities will apply to KP and FATA. In terms of target, specific attention will be paid to equal participation to decision-making processes, equal access to services and justice for the most disadvantaged (incl. women, minorities, children as per specific context analysis) and the protection for disadvantaged people (IDPs and refugees). To reduce the fragility of both KP and the FATA, the SDC will contribute towards increasing the trust be-tween the people and the state through strengthening the capacities of the provincial and local governments to provide inclusive and accountable services, and protect the people, especially disadvantaged groups (women, IDPs) in KP and the FATA. The SDC will build the capacities of the government to develop participatory development plans and budget that cater to the needs of the people. The capabilities of the people to access justice, resolve conflicts and claim their rights will be enhanced. The people's access to justice will be increased through establishing legal aid desks, institutionalising legal aid within bar associations, creating an enabling environment for female practitioners and litigants, and enhancing the conflict resolution capacities of the people. Programme risks and challenges: Risk factors for providing contributions effectively include (1) the launch of planned policy reforms by the Government of Pakistan are implemented without strong commitments of relevant actors; (2) conse-quences of the general elections in 2018; (3) unclear developments related to the status of FATA; (4) consequences and further developments related to the recently established registration procedures of international NGOs.	Outcome statement 2.1: An effective and sustainable local government system is set up in KP and FATA that empowers communities at grass root level and facilitates voluntary return and rehabilitation of TDPs in their communities. (KP IDS, FATA Return and Rehabilitation Strategy) **National Level:** - SDG 16.6, 16.7, 16.10, 16.b, 17.1) - National refugee legislation / policy adopted - Return of IDPs is completed. - Humanitarian Strategic Plan 2017 - Solution Strategy for Afghan Refugees to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries **KP: Integrated Development Strategy (2014 – 2018):** - Sustainable and effective local government system empowering communities at grass root level. (outcome) - Indicators on Gender Equity (further sub-targets are available and will be further analysed for final results framework): - Governance structures for women's empowerment improved - A system of evidence-based policy formulation and governance (at all levels) to address equity and empowerment challenges for girls and women - Improved government responsiveness to reduce violence against women - Living conditions of marginalised and disadvantaged groups (especially women) improved **FATA: (FATA Return & Rehabilitation Strategy 2015):** - The government (will) voluntary return of over 341,916 TDP (Temporary Dislocated Persons or Internally Displaced Persons) families to their areas of origin in FATA over the next two years (Page 16, FRRS, 2015. **PCNA:** Objectives: - Build responsiveness and effectiveness of the State to restore citizens' trust - Ensure delivery of basic services

Outcome statement 2.2: People including disadvantaged groups have improved access to justice, conflict resolution and human rights protection

Indicators:
- 2.2.1. Number of people who have benefitted from access to justice interventions

- 2.2.2. Number of initiatives, policies and political processes developed in the field of human rights **(Aggregated Reference Indicator HR1)**

- 2.2.3. Percentage public approval rating of law and order in KP
  Source: PILDAT, Public Opinion on Quality of Gov-ernance in Pakistan. Baseline: 72% approval rating (2015).

- 2.2.4. Percentage public approval rating of access to justice in KP
  Source: PILDAT, Public Opinion on Quality of Gov-ernance in Pakistan. Baseline: 59% approval rating (2015).

The programme benefits the most disadvantaged in facilitating their access to information, human rights and platforms for dialogue, fostering both social cohesion and trust between the population and the state. Formal and informal mechanisms are used to contribute to conflict resolution in the focused areas; seen from a broader perspective, the marginalisation of the people in FATA is reduced.

Specific focus will be given to social cohesion and protection aspects (migrants and IDPs as major factor of instability) in line with the FATA Return & Rehabilitation Strategy and the Solution Strategy for Afghan Refugees (SSAF 2012).

Programme risks and challenges:
Risk factors for providing contributions effectively include (1) launched or planned policy reforms by the Government of Pakistan are implemented without strong commitments of relevant actors; (2) conse-quences of the general elections in 2018; (3) unclear developments related to the status of FATA; (4) consequences and further developments related to the new registration procedures of international NGOs.

Outcome statement 2.2: Rights of the population in KP and FATA with a focus on women, IDPs and refugees are protected through improved governance, protection and security oversight systems and strengthened capacities of the relevant government departments.
(KP IDS, FATA R&R Strategy, Humanitarian Strategic Plan 2017, Solution Strategy for Afghan Refugees)

SDG 16.3, 16.6

National Level:
National refugee legislation/policy GoP: to be adopted

Solution Strategy for Afghan Refugees (SSAF, 2012)
- Social and environmental protection of refugees, returnees, as well as assistance and support to host communities (SSAF, 2012) (Indicator)

Humanitarian Strategic Plan (HSP) 2016:
- Ensure protection, provide assistance and seek lasting solutions for Afghan refugees in Pakistan (Page 8, HSP, 2016) (Indicator)
- Support the humanitarian and protection needs of IDPs who remain displaced and those who have re-turned, ensuring a smooth transition to longer-term recovery and development (Page 8, HSP, 2016) (Indicator)

KP: Integrated Development Strategy (2014 – 2018):
- Improved governance & security oversight (outcome)
- Policy formulation, coordination, and oversight of policy implementation along with provision of administrative services (output)
- Safety of life and property (outcome)
- Observe transparency and accountability in police through strengthening community voice (output)
- Enhanced rehabilitation of prisoners, probationers and paroleees and reduced recidivism (output)
- Secured and well-maintained jails providing condu-cive environment for behavioural corrections of prisoners (output)
- Improved prosecution services (output)
- Provision for improved security (output)
- Improved investigative services (output)
- Creating sensitivities for ethical values and welfare services (output)

FATA: FATA Return & Rehabilitation Strategy
- Special focus on and provision for youth, women and vulnerable groups to participate in all processes of recovery planning, execution and M&E (FRRS, 2015)
- Reconciling civil society in FATA through social cohesion activities that link traditional structures to progressive initiatives (FRRS, 2015)
- Capacity development of the political administration (FRRS, 2015)

(4) Lines of intervention (Swiss Programme)

Institutional perspective

In line with the phasing-out of SDC's bilateral cooperation in Pakistan, all efforts in the 2017-2019 period will be focused on ensuring consolidation of ongoing efforts, transfer of knowledge to local partners, and sustainability of interventions. The strengthening of institutions under the local state-building domain will be designed to be long-term with the potential for forward momentum even without SDC's support. The SDC will seek to institutionalise key project outcomes at the government and civil society levels for lasting impact that can be further built upon by other development partners once SDC's bilateral cooperation in Pakistan has ended.

Legislative reform/Policy reform:
-   Support (through technical assistance and active policy dialogue/coordination) to legislative reforms, policy formulations and implementation. This will apply to structural reforms related to the local government acts (ongoing implementation in KP- strengthening the system at sub-national levels, paving the way for enacting in FATA/discussion on FATA status); Switzerland will – from a gender perspective- advocate for more balanced gender representation at all levels of governments/decision-making structures and processes (incl. MDTF and NDRM)
-   Support to improvement of service provision from a systemic perspective (i.e. functional assignments) and including judicial and legal services. Linkage to water will be ensured
-   Targeted support to Solutions Strategy (i.e. SSAR II), registration processes of undocumented migrants/IDPs, facilitation of long-term legal solutions for refugees (legal + civil documents), improved data management for determination of legal status/profiling of migrants, IDPs & refugees.
-   Secondment to UNHCR in the field of protection

Institutional strengthening (with focus on executive, legislative and judiciary):
-   Capacity-building of relevant authorities (all local government levels, line departments, HR directorates and specific to protection issues: SAFRON, CAR; FDMA PDMA and Fata Secretariat) to the extent possible with an institutional approach (i.e. as part of the civil service training scheme).
-   Interventions in support to accountability mechanisms (M&E, aid effectiveness)
-   Support to coordination bodies (PHF, National Humanitarian Network-NHN, FDMA, PDMA, DRR Forum, CAR and FATA Secretariat). Both vertical and horizontal coordination will be fostered
-   Potential support to key oversight institutions (local assembly, commissions, human rights commission, ombudsman). Public or civil society organisations contributing to governmental dialogue and respect of human rights obligations will be supported **(Aggregated Reference Indicators HR2)**
-   Foster peer exchanges among practitioners and regions (scale-up potential, in coordination with other programmes), including through LOGIN.
-   Capacity-building on humanitarian principles, in particular in relation to access (targeting all involved government authorities & humanitarian actors)
-   Swiss UN volunteer at UN Women

Research/provision of technical expertise:
-   Key coordinated research and expertise feed into policy developments and implementations (local government acts, legislative reforms, constitutional aspects related to FATA status, inclusive and accountability mechanisms etc.)
-   Knowledge based on SDC's experience and lessons learnt transferred to international development partners with long-term country strategies in Pakistan

Potential key pilots nurturing policy reform processes

People-centred perspective

Legal Aid/Empowerment: Build on current focus and formal & informal mechanisms already in place (Rule of Law Programme, KP) with scaling-up of the programme and strengthening role and capacities of actors facilitating access to justice and alternative dispute resolution mechanisms (bar association; customary justice providers, etc.); specific attention given to access to justice for disadvantaged groups (i.e. women and girls, applied to family law) and IDPs/refugees (ensure access without discrimination).
Coordinated Human Rights interventions with the Embassy

Alternative Dispute Resolution mechanisms (as needed, applying to family law, land issues, inclusive access to services/rights, displaced host communities etc.)

Culture: Support to minorities (e.g. Kalash)

Informal mechanisms/platforms fostering dialogue & research feeding into these:
-   Inspired by initiatives such as Community Action for Peace and Development; informal mechanisms allowing dialogue towards key development and policy issues among different groups. These platforms foster social cohesion in conflict prone areas and bring citizens/population closer to the state, i.e. pre-budget consultations, discussions on long-term governance plan in FATA, changing perceptions around displaced population etc.
-   Research work may be envisaged where needed (analysis of customary law with gender & HR lens; profiling issue)
-   Key pilot interventions in the field complementary to the above: interventions fostering the integration of the most disadvantaged with a particular focus on IDPs and refugees in returning areas / their access to services (wash, cash-based programming, documentation process etc.) are foreseen. An inclusive approach will be applied, including support to hosting communities.
-   Cross-border linkages for durable solutions will be explored.

(5) Resources, partnerships (Swiss Programme):

2017: 7.3 million CHF (South Cooperation) + 1.9 million CHF (Humanitarian Aid)
2018: 2.3 million CHF (South Cooperation) + 1.4 million CHF (Humanitarian Aid)
2019: 1.1 million CHF (South Cooperation) + 1.2 million CHF (Humanitarian Aid)
2020: 0.4 million CHF (South Cooperation) + 0.2 million CHF (Humanitarian Aid) - Final payments, administrative closure
Million CHF 2017 – 2020: 15.8 million CHF (South Cooperation and Humanitarian Aid)

Switzerland will partner with key like-minded and influential development partners in the focused areas (EU, Germany) fostering linkages between policy and programmatic levels. Close partnership will be further fostered with UN organisations. Potential co-funded or joint ventures will ensure longer-term impact to Swiss interventions (beyond 2020). There will be active engagement in the donor coordination groups.

3. Management/performance results, including indicators (Swiss Programme). See chapter 6 of CS	
Outcome 3.1: International and national partners adopt approaches promoted by Switzerland	Consolidation: - Based on the capitalisation of it's past experiences, the SDC will focus on how to use the extensive experiences it has gained over the last 51 years and feed them into the different policy dialogue fora (NDRMF, MDTF; LOGO Steering Committee, Human Rights Steering Committees, Donor Coordination Groups with the government, PHF, etc.) and state-owned sustainable processes. This engagement will be strengthened through complementary engagement on political level through other instruments of the Embassy on the same issues. - In order to capitalise on existing experiences and take advantage of potentially better security situations, the SDC will increase its field visits. Wherever possible, such visits will be done together with the government counterparts. - See also Outcome 3.3 for phasing-out. Coordination: - An integrated approach with other foreign policy instruments of the Swiss Embassy will be ensured (in particular with regard to communication, possible PPDP's, transboundary water issues and human rights) - In view of the phasing-out of the bilateral cooperation, strengthened interactions with the government and stronger linkages with Swiss, regional and global networks (e.g. LOGIN) and other institutional partnerships (e.g. Geneva Water Hub, universities, art institutions, Locarno Film Festival, Geneva Human Rights Festival, Swiss museums) will be sought for - In line with the 'Whole of Government Approach" (WOGA), increased collaboration with the other instruments of the Embassy and Humanitarian Aid will continue, particularly in the field of human rights. Specifically, synergies with the SDC Water Global Programme and potentially with other Global Programmes of SDC will be strengthened - Better coordination among Swiss partners (multilateral and bilateral) through regular information sharing, joint strategies (e.g. on Human Rights) and advocacy, including through concerted interventions between field and head offices (e.g. board meetings of UN, ADB, World Bank, etc.) - Joint coordination in strategic Working Groups (with the government and among donors) - Partnerships with other donors (such as GIZ) will also guarantee sustainability - For cultural activities, specific linkages to neighbouring countries will be sought for under a peacebuilding perspective (e.g. linking up Afghan and Pakistani artists, exhibiting Pakistani art in India). Communication: - Promotion of SDGs: UN Corner, "We, the Peoples, We, the Arts", including Swiss institutions and companies, etc.
Outcome 3.2: Swiss programmes are managed in a context and security sensitive manner	Inclusion: – Most disadvantaged segments of the population benefit from Swiss interventions **(Aggregated Reference Indicator F2)** and are empowered **(Aggregated Reference Indicator F1)** – Work force diversity has increased (women/men, regions, age, horizontally and vertically) – All projects have mainstreamed context sensitive themes, like inclusion of women and DRM CSPM applied – Gender-focused interventions such as affirmative actions related to access to rights/legal aid/protection as well as related, as needed; specific attention is given to family law and implications on gender; advocacy for balanced gender representation in the public space; explore possibilities to work with leading women NGOs, support to monitoring & reporting mechanisms with disaggregated data. *Disaggregated baselines and targets to be defined* – Small actions related to arts & culture will target also to a large extent "minorities" (e.g. Kalash). Security: – The Local Security Management Plan is updated, understood and implemented Knowledge and understanding: – At least three times a year MERV (context monitoring) and actor mapping are done at central level by SDC – All new projects (including small actions) are backed by socio-political and contextual knowledge and assessment (such as indebtedness, mobility, natural hazards, social protection etc.) – Subnational initiatives are geographically clustered: Khyber Pakhtunkhwa and Northern KP (Chitral; Swat; Lower Dir); Southern KP (Dera Ismail Khan; Karak; Kohat), Peshawar Valley (Nowshera; Peshawar) and FATA (Bajaur Agency; Mohmand Agency; Khyber Agency and Kurram Agency)
Outcome 3.3: SDC's South Cooperation phases out in a sustainable manner and prepares the ground for possible future foreign policy instruments	Phasing-out plan - Operations: – Ensure the sustainability of SDC South Cooperation's interventions through good exit solutions elaborated with authorities, communities, implementing partners and donors – Ensure SDC operations to wind down in a timely, economical and orderly manner in accordance with laws and directives of Switzerland and Pakistan – Facilitate the continuation of Switzerland's cooperation activities in Pakistan beyond 2020, when opportune, with other foreign policy instruments Phasing-out plan - SDC's employees: - Prepare staff members for the time beyond employment with SDC Phasing-out plan - Communication, knowledge transfer and capitalisation: - Outline achievements and prepare lessons learnt for internal and external transfer processes - Maintain Switzerland's reputation with the definition of an adequate communication strategy to best inform all interested stakeholders about SDC's phasing-out of its bilateral cooperation with Pakistan

Appendix 3 - Scenarios 2017 – 2019

Worst case: Deteriorating security and economic situation with interruption in the political process	Status quo: Decreasing fragility and gradual improvement in political and security situation	Best case: Stable democracy with growing economy and efficient civil institutions leading to improved state-citizens trust
Political Issues	**Political Issues**	**Political Issues**
Pakistan in the region Pakistan's relations with India deteriorate. Pakistan develops negative relations with Iran. Regional alliances set Pakistan/China against USA/India. Climate change or adverse weather patterns result in resource wars (water). The proxy war between Pakistan and India leads to wider regional instability.	Pakistan in the region Pakistan's relations with India remain tense. Both countries continue their proxy wars in Afghanistan. There are clashes along the line of control. However, both sides realise significant costs of conflict and avoid escalation. Pakistan continues to pursue friendly relations with India.	Pakistan in the region India and Pakistan reach a political settlement on Kashmir. Trade ties improve, including growth in transit trade. Both develop infrastructures for energy cooperation. Economic interdependence brings shared prosperity, regional stability and reduction in violence. Cordial Pakistan-Afghanistan relations provide trade access to Central Asia. The Pakistan-Afghanistan region becomes transit hub. Pakistan enjoys friendly relationships with Iran. Quadrilateral Coordination Group succeeds in bringing peace to Afghanistan, leading to regional security.
The role of military and human rights Political, social and economic instability have led to military intervention. Political party leaders go into exile, weakening prominent parties. Civil society organisations' operations are curtailed. Development space for human rights and governance programmes is significantly reduced. Increasing military influence, slows reforms process in FATA, resulting in further social exclusion and economic marginalisation of the population. Respect for human rights deteriorates with significant increase in executions and political arrests. Human rights defenders and journalists under greater pressure and scrutiny.	The role of the military and human rights Increasing military influence curtails civil liberties. The military courts continue executions unabatedly. Media is under pressure. However, the increasing economic and political competition ensures that the media continues to grow and represent different voices. Increased monitoring of NGOs/INGOs. Human rights institutions remain nascent with limited performance. Civil-military relations remain strained. Fewer deaths and less damage due to terrorism.	The role of the military and human rights New military command decides to reduce its role in the political domain. Military courts are concluded and not extended by parliament. Dialogue on media freedom and media ethics is initiated. Death penalty is abolished in the context of GSP+ export status. Human rights institutions performance and results lead to increase in public trust. Deaths and damage due to terrorism drop to a negligible level.
Militants Attacks by militants increase after their reorganisation. Militants extend their influence in different parts of the country. Drone strikes and increasing military operations further alienate population, fuelling insurgency. Civilian government has less influence and is unable to address the severity of the social and economic problems. The governance vacuum is filled by non-state actors.	Militants Military operations continue throughout the country against militants. Progress made on the National Action Plan; search operations continue; funding to militants made difficult through freezing accounts of militant organisations. Hate speech to be monitored.	Militants Need for military operation against militants drops significantly. National Action Plan is fully implemented. Funding to militants' organisations curtailed. Hate speech have legal consequences.
Elections, Governance and Local Governments (LGs) Election results are contested leading to political violence. Provincial tensions lead to long-term protests. Government's attention is diverted away from reforms agenda. Military intervention increases. LGs system is rolled back due to weak performance. National census report is refuted by some political parties and marginalised groups leading to unrest. Hung parliament after next elections decreases legislatures output.	Elections, Governance and Local Governments (LGs) Election results are accepted. There is no major change in political power dynamics in the country, with Pakistan Muslim League retaining a major role. LGs system continues in provinces. New governments introduce amendments to LG laws. Slow progress on FATA reforms and on extending formal rule of law. LGs setup and Riwaj Act introduced in FATA. Dialogue on mainstreaming of FATA by parliament. Progress on China Pakistan Economic Corridor (CPEC) is stable. Dialogue on outstanding issues on CPEC successful. Next National Finance Commission award announced after mutual consensus with provinces. National census report is accepted.	Elections, Governance and Local Governments (LGs) Census report provides renewed basis for 2018 elections, which registers a higher turnout than 2013 (60%). The elections are perceived as fair, transparent and results are accepted by different political parties. Parliament actively adopts new laws and leading reforms. Elections, improvements in FATA and social policy reforms lead to social accountability and improved service delivery resulting in increasing popularity. Jurisdiction of the High and Supreme Courts are extended to FATA. Marginalisation of population is reduced. Provinces reach consensus on distribution of resource, such as water and wheat, and finances.

Economic Issues	Economic Issues	Economic Issues
Energy Pakistan has a chronic energy shortage with excessive load shedding. CPEC energy sector investments fail to address energy needs. Circular debt reaches very high levels. Oil prices rise on the international market, forcing the government to drastically increase the price of electricity or cut power supply, which further burdens the poor and leads to social unrest. The energy deficit forces businesses to shut down, increasing unemployment and forcing many to go bankrupt. New energy projects get delayed.	Energy The government addresses circular debt by introducing short-term measures through bank borrowing. CPEC investment brings temporary relief in energy shortage. Power shortage continues. Little effort by the government to address serious energy governance issues. Business-friendly government guarantees businesses uninterrupted power and gas supply. Oil prices remain below USD 50 per barrel, but has no major impact on electricity production and its price. CPEC energy projects come online adding 10,400 megawatts of power to national grid.	Energy Government makes significant progress in reforming energy governance along with investment in big energy projects. Load shedding reduced significantly. Businesses' prosperity leads to jobs creation and GDP growth. International oil prices go down, which increases generation and reduces costs. Government pays circular debt from savings on low oil prices. Public sector spending in social sectors and human resource development significantly increases Parliament actively adopts new laws and leading reforms.
Growth and economic reform Bad security situation and political instability lead to a decline in growth rate, credit access and foreign direct investment. This negatively impacts socio-economic indicators. The combined effects of rising unemployment, ineffective tax collection, military spending, and global recession trigger a financial collapse, making debt servicing impossible.	Growth and economic reform Growth rate reaches 4.5 - 6% with relative improvement in security and the government focusing on the economy. Trade and commerce grow due to CPEC, the EU›s GSP+, Pak-Qatar LNG deal, etc. Agricultural growth deceler-ates (2.1% in 2015 as a fall in the production of minor crops and slow growth in livestock) offset rising output in most major crops. Ministry of Planning & Development of the government of Pakistan reports per capita income of $1,560 in 2015-16. Pakistan's competitiveness among global economies improves from its current rank of 122/138 countries (World Economic Forum, Global Competeviness Report 2016-17). Public institutions are still constrained by red tape, corruption, culture of patronage and lack of property rights protection.	Growth and economic reforms Growth rate reaches 7 to 8%, which is mainly due to current investments in large-scale projects. Government reform policies results trickle down to the poor. A growing urban middle class unites with expatriate entrepreneurs to spark political movement for consensus-based economic reforms and continuation of government economic policies. Human development index rating improves from present 147/188 countries (HD report 2016). Remittances and FDI from Pakistani diaspora records substantial increase, indicating state-citizen trust. The percentage of the people living below the poverty line drops from its current 29.5%. (Ministry of Planning & Development website)
Employment Income inequality amongst youth population and the perpetually unemployed increases resentment towards the political elite, leading to social unrest.	Employment Youth bulge further raises unemployment rate. Unemployed youth remain prone to the alternative of recruitment by militancy. Government's economic initiatives target young people. No change in labour condition or laws.	Employment Large parts of the population, including youth and minority groups, benefit from economic development. Labour conditions and minimum wages rise. Women receive equal wages to men and increase their share in the labour force. Pakistan's ranking for female economic participation and opportunities improves from 143/144 countries (WEF Global Gender Gap index 2016).
Social Issues	Social Issues	Social Issues
Demography High rate of urbanisation and the population growth adds strain on resources. New influx of IDPs and/or refugees changes the demography and increases hostilities between IDPs/refugees and host populations.	Demography The people will continue to migrate to urban areas in search of jobs and social services. Urbanisation and population growth place additional strain on resources. IDPs and refugees continue to alter demographics in Khyber Pakhtunkhwa and FATA. Census results do not serve their purpose. There is not much improvement in HDI (value) 0.538. (Ministry of Planning & Development website)	Demography The government's successful introduction of family planning programmes lead to a decline in population growth. Return of IDPs and refugees helps to restore a pre-disaster demographic balance. Census is completed leading to better data for planning.
Water and Water Governance Severe water shortages across the country. Poor water management leads to droughts and inefficient irrigation. Large portions of the country, particularly the rural areas, fail to produce adequate harvest, which increases poverty in the country. Active conflict with Afghanistan on division of Kabul river water.	Water and Water Governance Intensive discourse on water governance takes place. The provinces debate on water distribution. A national water policy is finally passed to better conserve the existing resources. Implementation is slow. Significant donor resources are directed towards water management. There is no change on dispute over Kabul river water and construction of dams on it.	Water and Water Governance All provinces and territories support one national water policy on distribution and conservation. LGs deliver good water services. Public private partnerships emerge for management of small dams and irrigation canal systems. Agreement with Afghanistan on the construction of dams on Kabul river.
Food Rise in food prices leads to economic and social instability, becoming critical for the maintenance of national security. Food insecurity causes civil unrest and poverty increases.	Food The Consumer Price Index (CPI) remains stable or increases very gradually. The government's donor-supported social safety schemes ensure that more families do not fall below the poverty line.	Food All provinces strengthen their social protection systems ensuring that any rise in food prices are not transferred to the poor. Food-insecure population drops from its current 60%. (Ministry of Planning & Development website)

Environment and Disasters	Environment and Disasters	Environment and Disasters
Poor implementation of environmental legislation increases deforestation leading to more landslides, soil erosion, floods, loss of pasture land and bio-diversity. Economic losses to GDP due to climate change increases poverty, reducing funding available for disaster relief, forces mass migration and leads to unrest.	Natural disasters (floods and earthquakes) negatively impact resources. Disaster management authorities' capacities remain limited. The military continues to play a huge role in disaster relief. Pakistan remains in the world's top ten countries most vulnerable to climate change.	Better implementation of environmental laws and new programmes for adaptation to climate change. Capacities of the national and provincial management authorities are significantly strengthened and disaster risk plans are put in place, reducing reliance on the international support for relief.
Security Issues	**Security Issues**	**Security Issues**
Violence / Militancy	Violence / Militancy	Violence / Militancy
Militants target international development actors, civilians and educational institutions. National Action Plan is abandoned. Influence of militant groups and their funding increases. More targeted killings, including polio workers, women, minorities and other disadvantaged groups. Religious extremism and violence grow.	Limited military operations continue in targeted areas. Militant attacks continue on primary targets, i.e. on law enforcement agencies, security forces, government and educational institutions and polio vaccination teams. Sectarian attacks continue in all provinces. National Action Plan is partly implemented and militants and religious extremists continue to operate.	In alliance against terrorism, Pakistan is able to reduce/eliminate foreign support for sectarian violence. National Action plan implementation leads to sustainable peace and stability in the areas. Religious violence and extremism decreases.
Access	Access	Access
Security situation in KPK and FATA deteriorates. Militants gain organised and major space making access to project areas impossible. The govern-ment imposes new restrictions on NGOs in terms of access, registration and travel.	Access to FATA and parts of KP remains volatile for national and international NGOs.	All the marginalised and militancy-affected areas, including FATA, are safely accessible. NGOs have free access to all areas and beneficiaries.

Appendix 4 - Programme Adaptation

Reaction of the Swiss Programme	Reaction of the Swiss Programme	Reaction of the Swiss Programme
The programme and projects adapt to changes in security and socio-economic environments, including possible early termination of some projects and cooperation with few partners. Remaining projects are implemented by trustworthy partners.	The programme and projects are sustainably implemented as planned. The SDC works with an integrated programme (development and HA) approach with government approval for policy dialogue.	The SDC will capitalise on the best-case scenario. More specifically, it will engage in more policy dialogue and linkages with Switzerland:
Domain 1: Water Governance There will be a shift from addressing policy reforms to a more active engagement in the humanitarian domain. Local implementing partners will have a lead role in programme implementation and there will be a major increase in contribution to multilateral institutions.		Domain 1: Water Governance The programme continues with its focus on policy level reforms, knowledge transfer and working directly with the government to build its capacity. Similarly, opportunities will be explored on public-private partnerships on water reforms and linkages will be made with global programme initiatives. The SDC will take a lead role in the water sector and development programmes will be strengthened. HA will capitalise on its experiences and shift to intensified knowledge development/transfer at provincial and district level.
Domain 2: Local State-building In case of a breakdown in the political process, the SDC will decrease working directly with the government. If human rights violations increase substantially either as a result of the State's failure to protect the people or as a direct violator, the SDC will work with the Embassy on joint advocacy on sensitive issues that need to be addressed by the State. There will be a shift away from building the government's capacity to implement reforms towards joint advocacy with the Embassy. The SDC will increase its collaboration with civil society focusing on the demand side and protection of human rights. If the worsening climate change leads to drastically negative consequences, the funding may be directed towards humanitarian aid activities.		Domain 2: Local State-building The SDC supports the state's priorities for policy reforms and focuses on protection of human rights, equitable distribution of resources, inclusive growth and governance reforms with focus on KP and FATA. The programme partnership with the government will strengthen in the fields of capacity building and facilitating implementation of reforms. Governance reforms in FATA will increase development and humanitarian work space.

Appendix 5 - Monitoring System

	Instrument	Purpose	Frequency
Strategic	Quarterly Review	Review of operational performance of projects and feasibility in changing environment based on outcome monitoring matrix	Every quarter
	Annual Report	Results-based reporting, management review, planning for following year based on the Results Framework 2015-2018	Yearly
	Management Retreat	In-depth discussion and decision-making on issues related to security, programme management, human resources and finances	Quarterly
	SDC Strategic Management Meetings	Discussion on operations, HR, absences, communication, finance and administration, security and other relevant management issues	Weekly
	Embassy Management Meetings	Management discussion (political, security, development, finance and administration)	Weekly
Operational	External Review & Evaluation	Evaluate project achievements	Once per project phase
	Mid-term Review	Evaluate project achievements at mid-term, evaluate possible adaptations in project design	Once per project phase
	Partner Workshops	Discussion on strategic orientation, exchange on operational and security issues	Twice a year
	Steering Committee Meetings	Approval of project work plans, review of progress and achievements against yearly targets and project outcomes	2-4 times a year (depending on the project)
	Field visits by SDC staff	Monitor progress of projects, assess beneficiary satisfaction, participate in important events and report on accountability and transparency related issues	At least once per project per year, in addition to regular interaction with provincial government in Peshawar.
	Programme Meeting	Discussion on new proposals and their strategic relevance to the Country Strategy as well as other strategic discussion with the programme team	Bi-weekly
Context	MERV (context monitoring tool) and scenario discussion	To reflect on changes that have a long-term effect on the country and on the sectors in which the SDC is active. To provide a set of country-specific changes that need to be taken into account for future programme orientation	3-4 times a year
	Local Risk Assessment and Security mapping	Analysis of context developments in the field and mapping of important partners in relation to security. Exchange of information with important international partners	2-3 times a year
	Bilateral Meeting: Management – Security Management	Decide on security measures. Evaluate the situation	Weekly
	Security Management Team	Decide on security measures. Evaluate the situation	Monthly
Exit / Phase-out	Phasing-out plan: Knowledge and Capitalisation	Measures to ensure knowledge transfer and capitalisation (including communication, costing and more).	Plans finalized by 12/2017 / subsequent close monitoring
	Phasing-out plan: HR	Measures to prepare staff for employment beyond SDC's bilateral presence	
	Phasing-out plan: Domain 1 and 2	Ensure sustainability of SDC interventions, conclude operations by end 2019, with financial and administrative closure in 2020.	

Appendix 6 - Strategic Budget (in CHF)

Cooperation Strategy for Country/Region:	Pakistan					
Duration of Cooperation Strategy:	**January 2017 until December 2019** **(with financial and administrative closure in 2020)**					
Financial Year:	**2017**	**2018**	**2019**	**2020**	**Total 2017-20**	**in %**
Domain of Intervention 1: Water Governance	6,000,000	5,500,000	2,200,000	1,100,000	14,800,000	44%
Domain of Intervention 2: Local State Building (Local Governance and Human Rights)	9,200,000	3,700,000	2,300,000	600,000	15,800,000	46%
Other Interventions: Culture, Capitalization/ phase-out, Emergency response (HA)	1,300,000	800,000	1,000,000	300,000	3,400,000	10%
Total SDC Budget Allocation	**16,500,000**	**10,000,000**	**5,500,000**	**2,000,000**	**34,000,000**	**100%**
Thereof South Cooperation	12,000,000	6,000,000	3,000,000	1,000,000	22,000,000	65%
Thereof Humanitarian Aid	4,500,000	4,000,000	2,500,000	1,000,000	12,000,000	35%
General overview of SDC Funds:						
SDC South Cooperation	*12,000,000*	*6,000,000*	*3,000,000*	*1,000,000*	*22,000,000*	
SDC Humanitarian Aid	*4,500,000*	*4,000,000*	*2,500,000*	*1,000,000*	*12,000,000*	
SDC Global Cooperation*						
SDC contributions to Swiss NGOs in Pakistan (estimate)	800,000	800,000	800,000	800,000	3,200,000	
Total SDC Funds	**17,300,000**	**10,800,000**	**6,300,000**	**2,800,000**	**37,200,000**	

*Contributions from the Global Cooperation will be defined according to developments and opportunities.