



Canadian International  
Development Agency

Agence canadienne de  
développement international

## PAKISTAN

### COUNTRY STRATEGY

(Effective as of 2009)

CIDA reviews all country strategies periodically and may revise them to reflect changing priorities or circumstances in countries.

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Canada 

## 2009 PAKISTAN COUNTRY STRATEGY

### 1. Country Development Context

#### Current context

- As a low-income, 'must-not-fail' state with nuclear weapons, Pakistan combines development need with high priority geo-political considerations meriting significant international attention. Poor governance and social and economic deprivation leave Pakistan's population vulnerable to extremism, resulting in adverse regional effects. As such, Pakistan is the lynchpin to stability in South Asia and is critical to Canadian interests in Afghanistan. As part of an emerging whole-of-government approach to Pakistan and the region, CIDA's bilateral program is the largest operational mechanism available for engaging Pakistan and supporting Canada's broader regional objectives.
- Pakistan is the world's sixth most populous country with a population of over 160 million. Although the economy has seen relatively robust growth since the late 1990s (averaging 6 percent per year), per-capita annual income remains low (US\$770). 23 percent of the population (39 million people) live on less than US\$1/day. With some of the lowest development indicators in South Asia, Pakistan's national development objectives are in jeopardy and pervasive gender discrimination prevents women and girls from accessing basic services, including education and participating fully in society.
- Pakistan is highly vulnerable to the current economic crisis. The combined shocks of escalating international oil and food prices in 2007 and 2008, and domestic political instability, have contributed to a growing budget deficit. Inflation of 25 percent and a rise in the projected poverty headcount from 24 percent in 2005 to more than 30 percent in 2009 (approximately 80 percent of which are women) is projected. The crisis is resulting in revenue shortfalls that threaten planned development expenditures.
- The general election in February 2008 ended eight years of military rule and saw political support for religion-based parties fall away. But the security situation remains fragile.
- The IMF's rescue package (US\$7.6 billion; approved in November 2008) was a positive step towards stabilization. Achieving long-term poverty reduction will require concerted international support. To this end, the meeting of the Group of Friends of Democratic Pakistan and the Pakistan Donors Conference (April 17, 2009) saw the international community pledge over US\$5 billion in development assistance.

#### Aid Effectiveness Context

- Pakistan maintains a high level of ownership and control over the formulation of national development policies and relations with the donor community.
- Donor harmonization in Pakistan is improving, partly as a result of successful coordination around the 2005 South Asia Earthquake, the 2008 elections and the 2009 IDP crisis. CIDA continues to be a key player in the longstanding like-minded donor group that comprises all the mid level donors such as the Australians and the Dutch. This group serves to balance the weight of the two very large donors USAID and UK-AID (formally DFID). Canada has a long aid and development history in the country dating from the Colombo Plan of the 1950's.
- At the Istanbul Friends of Democratic Pakistan meeting on 25 August 2009 the decision was taken to revitalize and strengthen the Pakistan Development Forum and hold the next forum in November 2009 in Islamabad.
- Frequent and frank consultations with the Government of Pakistan are a hallmark of the program. These ongoing consultations between officials were recently enhanced by direct consultations between Minister Oda and her direct Pakistani counterpart Minister Rabbani as well as with both Prime Minister Gilani and President Zardari during Minister Oda's August 2009 visit to Pakistan.

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### 2. Priority Needs and Canada's Value Added

- Pakistan's second Poverty Reduction Strategy Paper was endorsed by the World Bank's Executive Board on March 26, 2009. It specifies nine priorities including: macroeconomic stability; protecting the poor and vulnerable; agricultural productivity; integrated energy development; industrial competitiveness; human development; infrastructure; finance for development; and governance. The strategy has benefited from extensive consultations beginning in 2005 to include the perspectives of the poor. While far-reaching in its conception, the PRSP outlines a credible framework within which donors can align their support for poverty reduction.
- CIDA can support Pakistan's national poverty reduction strategy using the following broad framework:
  - **Securing the Future of Children and Youth.** Pakistan has some of the lowest human development indicators in South Asia. CIDA has supported improved teacher training and professional development in the public education system. Canada's education systems offer Pakistan many tested models.
  - **Stimulating Sustainable Economic Growth.** Economic growth is a key challenge in light of the current economic crisis. As a lead donor in the area of equality between women and men for 25 years, CIDA has supported women's economic empowerment, which is proving critical during the current crisis as more men find themselves without work.
- CIDA's current and proposed efforts will help Pakistan serve as a pillar of regional stability, rather than a source of instability.

### 3. Strategic Direction

- The 2008 strategy identified three areas of focus: basic education, democratic governance, and equality between women and men. In addition, CIDA has supported two special programming areas: rehabilitation and reconstruction following the 2005 South Asia Earthquake; and a special program to support socio-economic development in Balochistan to support Canadian interests in Afghanistan. The effective pursuit of CIDA's priority themes in Pakistan will require strong national-level donor coordination.
- To this end, the Agency has identified two main priorities for Pakistan that are aligned with CIDA's overarching priority themes:

#### Securing the Future of Children and Youth

Pakistan's weak public education system, combined with a serious demographic bulge (61 percent of the population is 24 years old or less) is undermining the future of millions of children and youth. Moving forward, the Program will deepen CIDA's existing sub-sector niche in teacher training and professional development, focusing more specifically on continuous professional development. Teacher training is a key niche for CIDA's program in Pakistan. CIDA's approach is to focus upon improving the ability of public system teachers' colleges to effectively deliver their programs, and building the capacity of district education managers to manage public education. CIDA supports the Pakistani public education system to improve primary and middle school teacher training programs through physical repair and upgrading of training institutes' facilities and improved instruction on teaching practices. Methods include developing practicum and internship systems, supporting mentoring programs for teachers, supporting professional teachers' associations to promote professional development, and faculty training.

USAID projects fund school infrastructure, learning materials and scholarships, operating more at the education-delivery level than CIDA, which has directed its efforts primarily at the teacher training systems. Where they are active in teacher training, USAID is working on national standards for accreditation and improving coordination among teacher training institutions, building linkages between US universities and Pakistani higher institutes, and offering intensive

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training for faculty at US institutions. CIDA's approach is more universal in its coverage of the training system and works more with multilateral as well as local organizations. Also, USAID has projects at all levels of education in Pakistan: primary, middle, secondary and higher education. CIDA focuses on primary- and middle-level schooling. Expected Outcomes: Through these investments, CIDA will contribute to improving the quality of basic education and strengthening the poor's access to education, giving equal attention to the needs of boys and girls.

### Stimulating Sustainable Economic Growth

Pakistan is highly vulnerable to the current economic crisis. The combined shocks of escalating international oil and food prices, along with domestic political instability, have led to a rise in the projected poverty headcount from 24 percent in 2005 to more than 30 percent in 2009, approximately 80 percent of which are women. A large percentage of women in rural and urban Pakistan (as in Afghanistan) suffer from restricted mobility, poor access to basic services and inadequate economic opportunities. Thus the ongoing marginalization of women is a key barrier to sustainable economic growth. Moreover, women who are literate, wage-earners and informed of their rights make better choices for themselves and their children thereby helping to counter extremism in times of economic and social uncertainty. CIDA's support to Women's Economic Empowerment will include the creation of jobs for 10,500 of the poorest rural women in Pakistan through the maintenance of community roads and infrastructure (water canals, drainage ditches, tree planting). Additionally, the program will support some 6,300 women and men across Pakistan with skills training and business support services to enable them to engage in formal employment. CIDA will support the Government of Pakistan (Ministry of Labour and Industry) to strengthen, implement and enforce labour legislation and to work with provincial and local governments to implement programs to protect and support the rights of Homebased Workers. The program improve the visibility and protection of female workers in national labour laws and policies and will seek new ways to engage the private sector in supporting enterprise development, marketing and social protection for women workers, particularly in the informal sector. Future support will also include the piloting and scaling-up of innovative models (linking women workers with capital, resources and markets) and will explore an enhanced focus on industry-specific initiatives (e.g. female dairy farmers and agricultural workers). Expected Outcomes: CIDA will contribute to strengthening the foundations for long-term economic growth through support for women's economic empowerment by supporting skills for employment training and improved employment conditions for women.

Pakistan's February 2008 election ended eight years of military rule and opened the door to a new era of democracy, with political support for religious-based parties diminishing. Nonetheless, Pakistan remains unable to take full advantage of the opportunity that now exists to promote and build a viable democracy as it lacks effective governing institutions and a strong, secular civil society. Support for these institutions and organizations is seen as critical to true democracy. Therefore CIDA may also support, on an exceptional basis, occasional initiatives to promote democracy if outstanding initiatives or proposals surface. Expected Outcomes: Building on its experience in the area of governance, when exceptional opportunities present themselves, the Agency will also support the strengthening of existing democratic institutions and support civil society to reinforce the government's accountability to its citizens. Such initiatives will represent less than 10 per cent of the program budget.

## 4. CIDA's Programming Plan

Bilateral Program: CIDA will continue to maintain a balance between government and non-governmental channels, including subscribing to multilateral efforts where they can achieve the best results.

Policy Dialogue: CIDA will continue to strengthen its engagement in policy dialogue. In addition to continuing its active work in the Inter-agency Gender and Development Group and the multi-donor thematic group on governance, CIDA will deepen its policy dialogue on education through relevant in-depth and focused programming.

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Canadian Partnership Branch: CPB's investments in Pakistan are modest (\$0.7 million in 2007/08), and complement the bilateral program's focus in education and governance. CPB will continue to seek coherence and linkages with other programming in Pakistan.

Multilateral and Global Partnerships Branch: Several multilateral agencies are active in Pakistan, including the Asian Development Bank, the World Bank and the UN. CIDA works with these agencies in education, governance and women's rights, and provides support via UN agencies when responding to humanitarian needs. CIDA also supports the "One UN" reform pilot in Pakistan. Furthermore, CIDA will monitor the Agency's \$25M investment in securing the successful return and integration of the 2 million internally displaced people (IDPs) in North West Frontier Province (NWFP).

### Country Program Notional Budget (Bilateral only)

	FY 2009/10	FY 2010/11	FY 2011/12
Bilateral	\$44 M	\$50 M	\$50 M
Earthquake reconstruction*	\$10 M	\$10 M	--
TOTAL	\$54 M	\$60 M	\$50 M

\*Represents the Government of Canada's commitments following the 2005 South Asia Earthquake.

## 5. Results

### Results:

#### Children and Youth: Public Primary Education

##### EXPECTED Intermediate Outcomes:

- Improved professional development for teachers

##### EXPECTED Immediate Outcomes and Outputs:

- Improved training and human resource management benefiting more than 280,000 teachers and improving the quality of education for over 10 million students.

#### Economic Growth: Women's Economic Empowerment

##### EXPECTED Intermediate Outcomes:

- Improved skills for employment for women

##### EXPECTED Immediate Outcomes and Outputs:

- Improved employment conditions and income-earning opportunities for more than 6000 women
- Creation of job opportunities in rural road maintenance for more than 2000 women

#### Accountable Public Institutions

##### EXPECTED Intermediate Outcomes:

- Improved credibility and effectiveness of national and provincial parliaments
- Improved citizen engagement in the parliamentary process

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### **EXPECTED Immediate Outcomes and Outputs:**

- Increased capacity of national and provincial assemblies to provide effective political representation and appropriate democratic oversight
- Improved and transparent judicial and electoral processes
- Improved awareness of democratic rights and access to government programs/decision-making processes, particularly among vulnerable or marginalized groups