

Balochistan Economic Development Project

Annual Progress Report

January to December 2017

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| Description: | Balochistan Economic Development Project |
| Implementing Partners: | <p>Planning and Development Department, Government of Balochistan</p> <p>Sardar Bahadur Khan Women’s University, Quetta</p> <p>Balochistan Boy Scout Association Quetta</p> <p>University of Balochistan</p> <p>Balochistan University of Information Technology, Engineering and Management Sciences</p> |
| Cost Sharing Partners: | <p>Government of Balochistan</p> <p>United Nations Development Programme</p> |
| Geographical Coverage | Balochistan |
| Period Covered: | January -December 2017 |
| Start and End Date of Project: | January 2016 - December 2017 |
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Acronyms and Abbreviations

| | |
|---------|---|
| UNDP | United Nations Development Programme |
| GoB | Government of Balochistan |
| P&DD | Planning and Development Department |
| ACS | Additional Chief Secretary |
| DG | Director General |
| SMEs | Small and Medium Enterprises |
| PSDP | Public Sector Development Programme |
| STAR | Systematic Tracking Accountability of Results |
| M&E | Monitoring & Evaluation |
| R&RF | Result and Resource Framework |
| AWP | Annual Work Plan |
| SMEDA | Small and Medium Enterprise Development Authority |
| QCCI | Quetta Chamber of commerce & Industries |
| B-TEVTA | Balochistan Technical Education and Vocational Training Authority |
| BEDP | Balochistan Economic Development Programme |
| SDP | Suppliers Development Programme |
| PC-1 | Project Document |

Executive Summary

During the reporting period UNDP in close collaboration with Planning and Development Department, Government of Balochistan decided on cost sharing for the Balochistan Economic Development Project (2018-2019). The project has been reflected in the Provincial/ Balochistan PSDP 2016-17 and 2017-18 with the project ID Z2016.0063. BEDP strives to enhanced access to livelihood and economic opportunities for vulnerable youth and women and increase in the productivity of the private sector by applying the SDP methodology to at least 100 companies. This will lead to improve stability in the province, promoting economic development in Balochistan.

The consultant was identified for the development of BEDP PC-1 document, the Balochistan Economic Development Project document (PC-I) developed by consultant, reviewed by the project team and UNDP Country Team, feedback incorporated and submitted for Provincial Development Working Party (PDWP). The PDWP meeting conducted and approved the BEDP PC-I.

Technical and Vocational Skills is the key for the youth of Balochistan especially in the context of emerging opportunity i.e. China Pakistan Economic Corridor (CPEC). Before devising activities under BEDP PC-I a detailed Labour Market Survey was conducted. The Survey findings informed the BEDP PC-I.

Consultative meetings were continued with key stakeholders including Additional Chief Secretary Planning & Development Department (P&DD), Secretary P&DD, Secretary and Director General Industries and Commerce, Chief Foreign AID, Provincial Chief Small and Medium Enterprise Development Authority (SMEDA), Director B-TEVTA, UN agencies and private sector. These meetings helped in the preparation of the BEDP document. The Cost sharing agreement developed and signed with P&DD Government of Balochistan.

Youth engagement activities were carried out during the reporting period which consists of

international youth day celebrated in Quetta on August 16, 2017. More than 80 youth, males and females participated including persons with disabilities and minorities. Another event on Youth Entrepreneurship was arranged in collaboration with Sardar Bahadur Khan Women University (SBKWU) Quetta where 69 youth from different institutions participated.

While supporting the Sub-Office running cost, BEDP allocation helped the office in designing new projects for the province including, Community Resilience and Sustainable Livelihoods (RAHA-II) project, Sustainable Development Goals (SDGs) Project, Strengthening Electoral and Legislative Processes (SELP) project, Rule of Law (RoL) Roadmap for Balochistan Initiative, Integrated Water Resource Management (IWRM) project, Coordination with Government of Balochistan and other stakeholders for Integrated Water Management initiative through Green Climate Fund – (GCF) and China-Pakistan Humanitarian Response Initiative project.

The monitoring for the intended actions and activities planned in AWP 2017 continued. Result and expenses updated on the cumulative progress and financial expenses tracking database (R&R) were recorded. The result and expenses which have been tracked during the reporting period were uploaded along with the evidences in support of the progress in the STAR.

Introduction

The Balochistan Economic Development Programme (BEDP) in close collaboration with Planning and Development Department, Government of Balochistan decided on cost sharing for the Balochistan Economic Development Project (2018-2019). The project has been reflected in the Provincial/ Balochistan PSDP 2016-17 and 2017-18 with the project ID Z2016.0063.

Balochistan Economic Development Programme strives to (i) enhanced access to livelihood and economic opportunities for vulnerable youth and women, this supports youth entrepreneurs to set up and expand their businesses through establishment and strengthening their enterprises, this component also focusses on demand driven skill development and employment generation in emerging and expanding industries for the youth of Balochistan; (ii) increase the productivity of the private sector by applying the Suppliers' Development Programme (SDP) methodology to at least 100 companies through improved market linkages for Small and Medium Enterprises and by improving their productivity, efficiency and eventually the quality of products and services. This will lead to improve stability in the province promoting economic development in Balochistan.

Project Performance

1.1.1.a: Technical support for SDP transfer from UNDP El-Salvador.

The technical support for the SDP transfer from UNDP El-Salvador was continued, the SDP team in Balochistan was supported via emails and skype meetings in the 1st quarter of 2017. Documents were reviewed and finalized.

1.2.1.a: Identification, training and certification of SDP consultants.

The identification of consultant for the SDP 2nd batch were advertised in the newspapers and broadcasted in through Radio Pakistan for extra coverage. Emails were shared with FAO, SMEDA, BUIITEMS, SBK Women university, Quetta Chamber of Commerce and Industries, Women Chamber of Commerce, Industries and Commerce Department, P&D Department and in order to attract more applicants.

89 applicants submitted their application and showed their interested in the SDP. The grading of the assigned deliverables of SDP consultants were completed through online Moodle. Gradebook was finalized for consultants in Balochistan with support of the SDP management team. The candidates were shortlisted on the basis of their educational background and experience in the private sector, interviews conducted and candidates were selected for the 2nd batch of SDP training in Balochistan. Due to limited funding, the 2nd batch of SDP training were kept on hold.

1.3.1.a: Identification of lead companies and suppliers, diagnostics, develop, finalize and implement improvement plans for suppliers and lead companies.

During the reporting period coordination were continued with private sector, a detailed list of SMEs working in Quetta developed with the help of Quetta Chamber of Commerce and Industry (QCCI), SMEDA and UNDP coordination, however SDP applied for only one value chain (Jaan Broast) in Quetta.

3.1.1.a: Conduct mapping to identify industries with high demand for skilled labor in Balochistan

In order to identify demands for skills in different industries, an individual consultant was hired who carried out labor market assessment in five districts laying on CPEC western route (Gwadar, Khuzdar, Quetta Killa Saifullah and Zhob). The labor market assessment came up with the following skill sectors in demand:

- Construction Industry
- Mining
- Marble and Granite processing
- Tourism
- Hotel
- Ports and Shipping
- Computer, Chinese Language, Health

3.2.1.a: Identify government and private training institutes to provide vocational trainings

After the identification of demand oriented, marketable, employable skills through labor market assessment, training institute were identified. Coordination with College of Tourism and Hotel Management Karachi, SZBTECH Hyderabad, Technical Training Center, Women Training Center and with Public Health School were conducted.

Apart from this, the team coordinated with private sector in Quetta i.e. Sahaar bakers, Wow Fries, Ziaqa Hotel, Osmania restaurant, Balana Restaurant, Jaan Broast and Quetta Serena Hotel for skilled human resource requirement in their enterprises. The trainings could not be started due to lack of funding.

Action 3.2.1.b: Workers trained in high demand skills at vocational training institutes

Selection criteria for the identification of youth on high demand skills were developed, selection strategy for skill enhancement also developed. The trainings could not be organized due to non-availability of funds.

3.3.1.a: Research collaboration with selected provincial institutions to understand the linkages between unemployment and armed violence

In order to identify the linkages between unemployment and the armed violence in Balochistan, coordination done with ORIC, University of Balochistan and Balochistan University of Information & Management Science (BUIEMS) however, the management decided not to conduct this study.

3.4.1.a: Social engagement, critical skills training and sports activities for up to 250 youth

Youth engagement activities were carried out during the reporting period which consists of international youth Day celebrated in Quetta on August 16, 2017. More than 80 youth (males and females) including persons with disabilities and minorities participated in the event.

Youth's role for peacebuilding was discussed in relation with the 3 E's (engagement, education and employment) since disruption in access to either of these has a dramatic impact on achieving sustaining peace. Each participant was given a file containing handouts explaining Resolution 2250 and the 3 E's. This concept was explained to participants before commencement of the dialogue and was explained in greater detail to the moderators to ensure that the conversation remains positive and focused.

Three Main Areas discussed included;

1. What are the challenges that the Youth face in terms of preventing violence and extremism (PVE)
2. What are the opportunities that Youth sees in terms of PVE
3. What is required from the policy makers for the Youth to avail the opportunities

Event Summary;

- Program Manager introduced the event, and explained the rationale behind it.
- The participants were divided into two group, one was labelled as 'Youth' and the other as 'Policy Makers'. They were asked to 'role play' according to their assigned groups.
- 4 moderators were chosen from within the groups. They were tasked with note-taking and moderating the group. 2 facilitators (UNDP staff) sat with each group, they did not participate in the discussion, however, when required steered the conversation back onto track.
- Ice breaking sessions were conducted within the groups and members introduced each other.
- In the first session, the youth group was asked to discuss the challenges whereas the policy makers discussed the challenges. In second session, the policy makers discussed the solutions to the challenges identified by youth, whereas the youth discussed what is required to avail the opportunities identified by the policy makers. At the end of the two sessions, both groups presented key recommendations.

Two youth nominated and facilitated to participate in the **International Youth Day Summit** held at Lahore.



Photo 2# International Youth Day, Quetta.
Youth empowerment through, Education, Engagement and Employment
16 August 2017

Youth Entrepreneurship workshop arranged in collaboration with SBK Women's University Quetta, 69 youth from different university and colleges participated in the Event.

Youth's role in Entrepreneurship Ecosystem was discussed in relation with key players (Government, Private Sector, Civil Society, Academia/Universities). since the players has a dramatic impact on Entrepreneurship ecosystem in Pakistan. Each participant was given a file containing handouts explaining the entrepreneurship ecosystem. This concept was explained to all participants before the commencement of the dialogue on Entrepreneurship. Pre-event meetings were conducted with the moderators and concept of Entrepreneurship ecosystem in Pakistan was discussed in detail, importance of social enterprises highlighted in greater detail to ensure that the conversation remains focused.

Four Key Pillars of Entrepreneurial Ecosystem discussed;

- a. Culture (Society)
- b. Talent/Human Capital
- c. Capital/Funding
- d. Policy/regulation

Recommendations

| | Culture | Talent/Human Capital | Capital/Funding | Policy/regulation |
|----------------|---|--|--|---|
| Challenges ; | <ul style="list-style-type: none"> • Conservative Culture do not encourage youth for entrepreneurship • Gender discrimination, females are strongly discouraged to adopt entrepreneurship • Lack of trust on youth to start businesses • Lack of Awareness in the communities for start-up • Communication barrier • No Social support from parents and community | <ul style="list-style-type: none"> • Lack of skilled workforce • Lack of incentives and awards • Non-availability of technical institutes and specialized centers for trainings • Lack of marketing and solutions-oriented companies | <ul style="list-style-type: none"> • Non-availability of finances /funds for startups • Youth startup does have collaterals for apply for MFI /MFB loan • Very high interest rate on bank loan up to 32% • Non-availability of provincial govt. funding for start-ups • Banks have no policy for start-up loans | <ul style="list-style-type: none"> • No policy for Startup business • Limited understanding of current startup dynamics at the top government level • No awareness regarding start-ups at the government level • No business incubation center funded by government • Start-up facing problem in payment system (PayPal) • Communication gap between government and private sector |
| Opportunities; | <ul style="list-style-type: none"> • Unsaturated Market • Local resources available on cheaper price • Demography of province (70% youth) • Cheaper Technology | <ul style="list-style-type: none"> • Huge, energetic youth availability • Availability of internet facility for learning • Presence of social sector organizations for support | <ul style="list-style-type: none"> • International investors • Communication with organization who support and given funding | <ul style="list-style-type: none"> • Due non-availability of policy new startup can start any business • There is still space in the market due to limited number of startups |
| Solutions; | <ul style="list-style-type: none"> • Awareness campaigns • Establishment of local youth group as per culture who work together • Proper use of technology in start-ups | <ul style="list-style-type: none"> • Conduction of training and workshops for capacity building • Establishment of technical institutes and specialized centers to train human resource | <ul style="list-style-type: none"> • Network with Investors (Akhuwat foundation/PYLP) • Innovative ideas which require less finances | <ul style="list-style-type: none"> • All player/stakeholders must be involved in the policy making • Government should give online registration for start-up (manual and tutorial must be available online) • Establishment of Business Incubation Centers |

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| | | <ul style="list-style-type: none"> • Establishment of Incubation and entrepreneurship centers to promote entrepreneurship culture. | | <ul style="list-style-type: none"> • Govt. should introduce interest free funding for startups • Policy maker should resolve the issue with PayPal payments in Pakistan |
|--|--|---|--|---|



Photo 1: Youth Participating in the Youth Entrepreneurship Work shop, SBK Women’s University Quetta

13 Nov 2017

BEDP played critical role in sustaining Sub-Office, enhanced coordination, resource mobilization (through government cost-sharing) and rolling out other projects in Balochistan

The BEDP contribution helped the Country Office in organizing and strengthening the Sub-Office to ensure sustainable relationship with key actors including Govt. of Balochistan, Civil Society, elected representatives, UN agencies and potential donors. BEDP contribution supported the resource mobilization for multiple initiatives including the following:

Project Name: Sustainable Land Management Programme (SLMP Phase-II)

- Project aims to combat land degradation and desertification in Pakistan
- IA: MoCC (Federal) P&D Department
- IPs: Forest Department, CPD & NRSP
- Project Districts: Killa Saifullah, Pishin, Mastung, Kech & Lasbela
- Programme Timelines: 2015 ~ 2020 (Initiated in 2016)
- Total Cost of the Project : PKR 411.7 M
- UNDP/GEF + Federal Government & CBOs Share: PKR 211.7 M
- GoB Share: PKR: 200 M

Project Name: Strengthening Electoral and Legislative Processes (SELP)

- Project focuses on developing capacity of key institutions including Political Parties, Provincial and National Assemblies and ECP
- SDGs taskforce and Women caucus in Balochistan and minority caucus notified and functional
- The Balochistan Assembly approved Thirteen amendments in Rules of procedures and conduct of business proposed by UNDP.
- Selection of 6 UNVs from Balochistan

- Four SDGs reports finalized and will be launched in February 2018

Project Name: Sustainable Development Goals (SDGs)

- Total cost of the project: PKR 500 M (GoB-UNDP share 50:50 basis)
- Cost-sharing agreement signed with GoB (29.09.2016)
- SDGs PC-1 approved by PDWP (02.01.17) and CDWP (03.05.17)
- GoB transferred PKR 50 Million to UNDP account in June 2017
- Three team members recruited while the rest in process
- SDGs (and MPI) orientation workshops done in all 6 divisions of Balochistan
- SDGs orientation for members of Balochistan Provincial Assembly organized by Country Office in Islamabad on 12-13 April 2017
- Provincial Technical Committee notified
- AWP 2018 prepared

Project Name: RAHA – Community Resilience and Sustainable Livelihoods Project

- Cost-sharing agreement signed with GoB (18.08.2016)
- GoB contribution: PKR 100 million (UNDP share: PKR 10.2 M)
- PDWP held on 12 April 2017 that approved the LoA and work plan
- LoA signed with P&DD (02.05.2017)
- GoB transferred PKR 100 Million to UNDP in June 2017
- P&DD appointed RAHA core team
- Workplan 2017 – 2018 approved; implementation ongoing

Project Name: Rule of Law Roadmap Initiative

- Four joint missions (UNDP, UNODC and UNWOMEN) conducted
- Home Department being the focal agency convened coordination meeting on 11 July 2017
- Draft RoL Roadmap shared with key stakeholders on 11 October 2017
- RoL or Delivery unit notified by Home Department, GoB
- RoL Balochistan Roadmap approval by Cabinet awaited

- Levies Conference held in Quetta on 30 November 2017

Project Name: Integrated Water Resource Management Initiative

- Responsible Party Agreement (RPA) signed on 20 October 2017 with Taraqee Foundation for rehabilitation of Karez system in district Loralai.
- First tranche of PKR 1,823,750 released to Taraqee Foundation
- Socio-economic study in progress
- Construction of eyebrows in watershed area completed
- Construction of flood diversion dikes in command area completed
- 75% material (Stone, Cement, Crush & Sand) procured for lining of new channel. 100% material procured for the mother well

Project Name: UNDP Pakistan Humanitarian Response Initiative

- Total cost of the project: USD 4 M
- Fund by: China Aid, The Government of China
- Duration 3 Months (November 2017-February 15, 2018)
- Need Assessment Completed in district Naseerabad, Jaffarabad and Suhbatpur
- Procurement process completed
- Launching Ceremony February 02, 2018
- Furniture ready for 423 Government owned schools
- Distribution in 1st and 2nd weeks of February 2018

Project Name: Pipeline Initiatives

- Integrated Water Management Proposal for Balochistan (through Green Climate Fund – (GCF)
- Two workshops held with Gov (Oct 2016 and 5-6 July 2017)
- Focal person from P&DD nominated
- Project brief submitted to Ministry of Climate Change (MoCC) in October 2017 for GCF board approval

Challenges

- The private sector and SMEs in province are considering UNDP as donor organization, they expect financial assistance and support in the shape of machinery instead of technical support which is not mandate of SDP
- Non-availability of corporate sector in Balochistan is a challenge in SDP implementation in Balochistan