Project Title: Merged Areas Governance Project  
Implementing Partner: UNDP  
Start Date: 1 January 2019  
End Date: 31 December 2022  
PAC Meeting date: 29th November 2019

**Brief Description**

On 28 May 2018, the 25th Amendment to the Constitution of Pakistan was passed, resulting in the merger of the Federally Administered Tribal Areas into neighbouring Khyber Pakhtunkhwa (KP) province. The merger, one of the most consequential reforms in Pakistan's 70-year history, is an unprecedented extension of constitutional rights and governance structures to Smillion of the poorest people in Pakistan.

The Merged Areas Governance Project is a unified project across the Merged Areas to build the capacity of government institutions and assist the Government of Khyber Pakhtunkhwa in the integration and mainstreaming of these districts. The project will provide technical assistance to introduce and enhance inclusive and responsive governance structures, support the extension of rule of law institutions and services, implement evidence and information-based policy and planning, improve financial and economic management and build implementation capacities at all levels. The project will be implemented using a Problem-Driven Iterative Adaptation (PDIA) methodology to deliver needs-based and flexible support to the Government of Khyber Pakhtunkhwa.

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<tr>
<th>Contributing Outcome (UNSDP/CPD) 9: By 2022, the people in Pakistan, especially the most vulnerable and marginalized, have increased knowledge of their rights and improved access to more accountable, transparent and effective governance mechanisms and rule of law institutions.</th>
<th>Total resources required: USD 25,856,973</th>
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<td>Indicative Project Output(s): 1. improved service delivery of administrative and governance Institutions in the merged areas 2. Relevant authorities are strengthened through provision of policy level support on local governance structures in the Merged Areas 3. Improved public trust on Government-led reforms process in the merged areas 4. Government and Private Sector Supported to Deliver the Socio-Economic Dividends of Merger</td>
<td>Total resources allocated: $25,856,973</td>
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<td>UNDP TRAC:</td>
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<td>Donor: CSSF $6,406,200  USAID $ 10,353,706  DFID (SDPF) $97,849  DFID Bilateral 8,999,218</td>
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Agreed by (signatures):

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Print Name: Ignacio Artaza, Resident Representative a.i., UNDP Pakistan

Date: 10-III-2020
I. DEVELOPMENT CHALLENGE

The Merged Areas of KP, situated on the border between Afghanistan and Pakistan, were formerly known as the Federally Administered Tribal Areas (FATA). Erstwhile FATA, comprising of the Merged Areas, has long been a region of strategic importance and throughout its history. The area has known insecurity due to ongoing conflict in Afghanistan, resulting in challenging governance environment, militancy, and inter- and intra-tribal conflict.

The lack of local governance structures contributes to instability. Until 2018, the Government of Pakistan administered the Merged Areas through a colonial-era framework known as the Frontier Crimes Regulation (FCR) 1901. The FCR was the central administrative and judicial framework in the Merged Areas, and it excluded both individual and fundamental rights, amalgamated administrative and judicial power, and inhibited the development of a responsive or participatory system of governance. Governance has been further worsened by assassinations of the tribal leadership by militants, breaking the state-Malik-citizen linkage.

Further, economic and human development within the Merged Areas lags behind KP and Pakistan's as a whole. There is a low level of formal economic activity and weak integration with the rest of Pakistan. The region ranks at the bottom of the human development index in Pakistan, with more than 60% of its population living below the poverty line, and multi-dimensional poverty at 73%. The lack of economic opportunities available (particularly for young men and women), low literacy rates, gender inequality and inadequate health facilities have exacerbated tensions between the population and the state, which has contributed to instability.

A solution to the Merged Areas issue has been a long-sought goal of Civil Society Organizations, thought leaders and Pakistani lawmakers. In November 2015, the Prime Minister formed a high-level committee to consult on and propose a strategy to initiate reforms in the Merged Areas. UNDP provided technical assistance to the Committee's work through units in the FATA Secretariat and the Ministry of States and Frontier Regions (SAFRON). The Committee report, published in August 2016, recommended the merger with Khyber Pakhtunkhwa (KP) to mainstream the Merged Areas economically, socially, culturally and politically. Analysts determined that "The merger would be among the most consequential reforms in Pakistan's nearly 70-years history."4

The National Assembly endorsed the Report on 21st November 2016, and the Federal Cabinet On 2nd March 2017. The National Assembly passed a Bill by April 2017, which extended the higher judiciary's jurisdiction to the Merged Areas although the application of the Bill was dependent upon notification by the Executive. The major shift in FATA's legal status, however, came in May 2018 when the political and security leadership finally reached consensus which resulted in the 25th Constitutional Amendment. The Government immediately reclassified the Agencies and Frontier Regions as Districts and Sub-divisions.

Before the Presidential assent of the 25th Amendment, the Frontier Crimes Regulation (FCR) was repealed and replaced by the FATA Interim Governance Regulation (FIGR), 2018. The FIGR, while incorporating many aspects of FCR, was meant as a stopgap arrangement to eventually be replaced by mainstream laws once these districts get integrated into KP. After the July 25th elections, the PTI-led Government in both Centre and KP Province included integration as its priority.

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4 In Pakistan, Another Attempt to Tame the Tribal Region, STRATFOR Analysis, January 31, 2017
In light of these changes, the provincial government needs extensive support to develop context specific legislative, institutional, and policy frameworks to successfully assist the integration process in KP. The core objective of the project is to support the political merger of the tribal areas into KP and accomplish a legitimate governance structure and improved services in the Merged Areas by 2022. UNDP aims to achieve the objective by providing the provincial and local government with strategic support (high level political support), normative support (human rights, gender, repugnancy and fundamental rights) and kinetic support (momentum and implementation planning) in different spheres to help implement the reforms process. The project will assist the Government of KP to strengthen capacity for governance and reform implementation, enrich urban governance and service delivery, provide integration support to the province, and improve access to rule of law.

II. STRATEGY

A transition like that of provincial governance systems into the Merged Areas has few precedents anywhere in the contemporary world. Through the Merged Areas Governance Project (MAG), UNDP has been the Government’s trusted partner in the provision of advisors, research, and technical support to the reforms at the federal, provincial and local levels. UNDP’s support of the Government-led process has been widely recognised as critical in achieving the historic change embodied in the 25th Amendment.

With an overall objective of supporting the merger, UNDP will provide technical assistance to augment the capacity of the Government to effectively plan, facilitate and implement the extension of Governance and Rule of Law institutions, elected local government and large-scale economic development. Together, these reforms will bring much-needed accountability and transparency as well as improve the delivery of services and socio-economic indicators in the region. Critically, the population of the Merged Areas will have unprecedented access to constitutional rights.

To overcome the many challenges of this merger, needs and demand-driven Technical Assistance will be provided as follows:

- **Strategically Embedded Support** – Here, MAG supports a Delivery Unit at the Chief Executive level which reduces the transaction cost for the Government by providing analytical and management skills in the form of advisors and managers. The Chief Minister’s Strategic Support Unit assists the Chief Minister and respective Line Departments to provide problem-solving support, thus facilitating delivery. It also monitors and reports progress periodically to the Chief Minister and senior government leadership. The Unit is accountable for providing the Chief Minister with an independent perspective on progress achieved and advise him on interventions.

- **Creation of Reform and Mainstreaming support units** in the critical components of Government structures, such as Provincial Departments and District Administration. This support will be aimed at improving the quality of planning and Implementation, problem-solving and overcoming roadblocks, developing a policy where required, thus contributing to the feedback loop of monitoring and evaluation. Momentum is the essential component of public sector reform, and we expect this support to improve the dynamics of the reform implementation.

- **Capacity Building** of newly elected officials and permanent staff through orientation, training, and coaching.

- **Decision-making support** by collecting and compiling evidence for GoKP decision-making, encouraging stakeholders to meet, discuss, and come to a common understanding.

- **Strategic communications support** to the government will also be critical and will contribute to visibility and buy-in to the reform processes while also preventing the spread of misinformation.
- **Donor coordination:** The project will assist the Government by providing development assistance to the merger. This will strengthen assistance to the reform process while ensuring the Government owns, leads, and convenes the process.

- **Do No Harm:** The project follows the principle of 'do no harm' and 'leave no one behind' through hiring a safeguard specialist and ensuring training of all staff on safeguarding. The interventions of the project benefit the entire population without any discrimination on the basis of caste, religion, or gender. The do no harm principle has been embodied in the project design, and all efforts for providing equal opportunities of participation have been made while being cognizant of the potential risks. The inclusivity of the local population through consultative sessions can help form policies around the integration process.

- **Conflict Sensitive Approach:** The project will adopt a conflict-sensitive approach in the implementation of its activities. A conflict sensitivity analysis undertaken by the project will facilitate informed decision-making about the nature and sensitivity of the situation. Conflict sensitivity will be carried out by doing the following:
  - Identifying possible risks and coming up with a risk mitigation strategy.
  - Regularly updating political economy and conflict analysis that adequately mapped drivers of conflict.
  - Ensuring that all project members have a clear understanding of what conflict sensitivity means and how it can take form in day-to-day practice.
  - Conflict sensitivity review of the results framework indicators is undertaken, and the recommendations are made for informing the results framework.
  - Making sure that data collection methods used for all monitoring and evaluation activities are conflict sensitive in nature.

- **Gender mainstreaming:** The project will assist the Government in achieving its gender-related goals comprising of inclusion of gender in its policy and planning through provision of policy advice to relevant government counterparts, including, inter alia, the Social Welfare Department, the Provincial Commission on the Status of Women, the office of the provincial Ombudsperson and the Planning and Development Department. Measures will be taken to include gender in all relevant policy documents, surveys, and any field-related activities such as FGDs to ensure an inclusive approach to the mainstreaming process and to make the benefits of the process reach women who comprise of almost half the population of the Newly Merged Areas. MAG will work closely with its counterparts in Government and the Donor community to find innovative ways to address challenging issues within gender mainstreaming and access to women. The project will also ensure gender mainstreaming in the recruitment process, including hiring of female mobilisers to access women in the field to gather public sentiments around their needs.

- **Innovation:** To effectively support the integration process and encourage innovative thinking towards programme activities, the Project adapts Problem Driven Iterative Adaptation (PDIA) approach to mitigate risks and find innovative solutions to bottlenecks that might appear in a complex reforms process. To date, key innovative activities include a widespread consultative process through Focus Group Discussions and robocalls to ascertain the specific development priorities of the Merged Areas' population alongside research to address reduction of maternal mortality and increased enrolment in schools. Further, the Merged Areas Governance Project undertook a pilot study between September 2017 and June 2018, which focused on identifying women ('positive outliers') that overcame societal barriers to participate actively in public life. Thorough consultations were held with women to identify the path, strategies, and measures they took to break through cultural impediments. A key focus of the study was to identify how these solutions could be replicated across the region to ensure gender equality. The project encourages the utilization and adoption of technological tools to foster innovation. To develop cross-team collaboration between personnel spread across different geographical areas and offices, the cloud-based software 'Slack' is used. MAG uses the 'SharePoint' platform for smooth sharing of information across the project. Recently, MAG has aimed to incorporate data analytics to support programme strategy and decision making with quantified evidence. The eventual aim is to provide governmental policy makers with evidence-based suggestions and solutions. MAG is already in the process of constructing a database containing data on different areas including census, elections, local governments, socio-economic indicators, etc. Moving forward, MAG plans to engage at the community through Qaball-led Development as well as Special Emphasis Programmes related to health, women's development and education. National and International
experts will be engaged in the design process of such programmes to infuse innovation at the planning stages.

Adaptive Management

Adaptive management technique applied to difficult contexts which prioritize iteration and learning as programming management tools. The methodology is based on the conclusion that the most difficult development challenges including ‘wicked hard’ issues such as FATA Governance require a more robust management approach which is iterative rather than definitive, and inclusive rather than technocratic. Additionally, there is a growing recognition that traditional Taylorist approaches to M&E and program management privilege easily-quantifiable and measurable interventions with short-term outputs, rather than those which work within the political context to address deeper fundamental problems.

Adaptive programming is being developed by the USAID Learning Lab, DFID/ODI and UNDP’s Centre for Public Service Excellence. This project is designed using Problem-Driven Iterative Adaptation methodology designed by the Centre for International Development (CID) at Harvard University, and three of the programme management and technical team members have already been trained through the CID. The project is working on training additional team members on PDIA.

PDIA is focused on four main principles:

1) **Local Solutions for Local Problems.** The methodology focuses on the identification of locally defined problems (rather than programming around a best-practice solution). In our context, this means exploring local government and justice sector problems as defined locally rather than based on international templates.

2) **Pushing problem-driven positive deviance.** The methodology encourages local-level innovation to solve delivery problems based on what is already working on the ground rather than outside prescriptions. For example, we are exploring why some urban centres in FATA have been sustainable since colonial times, while others have come and gone with development spending.

3) **Try, learn, iterate, adapt.** The adaptive policy cycle includes analysis and problem identification, followed by cycles of iteration, which build both authorization and learning. UNDP has taken this iterative approach to our technical assistance in FATA Governance since early 2016. The approach means we have been able to build out authorization and capability, increasing the pace and quality of political reforms.

4) **Scale through diffusion.** As practices are developed and proven through iterations, they then are spread. Learning and practices through this project will be diffused both local and more broadly through established techniques.

The principles above may be common sense, which is a reflection of how far actual practice diverges from the linear planning model which discourages learning and adaptation.

Theory of Change:
The project’s theory of change approach will articulate long-term goals, identify measurable indicators of success and formulate actions to achieve those goals. This will be centred on closing gaps in four key thematic areas: economic, public finance, local governance including rule of law, and strategic communications. The project will work towards these goals in close coordination with other UNDP Pakistan projects, including Decentralization and Local Governance, Strengthening Rule of Law Programme and Strengthening Electoral and Legislative Processes.
Theory of Change Statement:

PURPOSE: Support peaceful integration of the Merged Areas into KP

CHALLENGES
- Development challenges include the prevailing threat of internal and external conflict, particularly along the Afghan border, the absence of formal governance structures, a near-total absence of rule of law institutions, low levels of trust between citizens and the state, and significantly lagging economic and human development indicators as a result of both state neglect and traditional values.

STRATEGIES
- To successfully implement the reform and integration process, the project will provide technical assistance:
  - The Tribal Development Strategy
  - To support extension of the formal justice system and establishment of ROL institutions
  - To strengthen PFM reforms and their implementation
  - To establish local Governance structures
  - To build trust between the state and citizens through strategic communications

COUNTERPARTS
- KP Chief Minister's Office
- Planning & Development Department KP
- KP Finance Department
- KP Local Government Department
- KP Board of Revenue
- KP Homes & Tribal Affairs Department
- FATA Research Centre
- IW Sciences
- Local Governance School
- Pakistan Academy for Rural Development
- COMSATS on the Status of Women
- Civil Society

SHORT-TERM OUTCOMES
- Change in the political, social, and economic environment will empower citizens via access to justice coupled with an increase in political representation in the province (including women and youth)
- An increase in resources allocation to the Merged Areas will result in engineering economic activity, lead to job creation and employment opportunities and create a conducive environment.
- Validation of an unprecedented process of land registration in the Merged Areas will empower citizens through ownership.
- A deepened understanding of the merger process and benefits for the population will build trust between citizens and the state.

LONG-TERM OUTCOMES
- Improved ROL and dispute resolution
- Increased employment in the long-run will generate a higher GDP, sustain private investment in small, medium and large enterprises and ultimately boost the investment environment in the region
- Social transformation through land registration will create capital and drive economic activity in the long-run.
- Citizens will be empowered to participate in public life through local government and be held accountable representatives accountable for service delivery.

ASSUMPTIONS: Mutual objectives of all government departments, acceptance by leaders of opinion, acceptance by citizens, speed of action (to ensure trust of the citizens), improved security situation, commitment of government, international community and other stakeholders

ULTIMATE IMPACT: Economic, social, and political development of the Merged Areas

IF the provincial government (in close coordination with state institutions, opinion-leaders and citizenry) introduces reforms that include extension of the formal justice system, local governance, and public financial management into the Merged Areas;

AND state institutions are more service oriented and responsive to the challenges of the integration process;

THEN it will facilitate a peaceful transition process (and ultimately a successful integration) through the creation and development of public institutions and adequate resource allocations across all districts;

WHICH WILL strengthen local governance, the public financial management system and rule of law;

AND ultimately contribute to the economic, social, and political development of the region via the creation of a virtuous circle for improved service delivery and administration of justice.

TOC Diagram:

III. RESULTS AND PARTNERSHIPS

Expected Results
The theory of change is structured around the achievement of the overarching goal of achieving "legitimate governance structures and improved services in KP Merged Areas by 2022" through the realization of the outcome "strengthened capability of the civilian government mechanisms for KP Merged Areas integration." Four outputs will contribute to the achievement of this result.

SMART indicators have been developed at the Output level with baselines, targets and related progress data to be collected against these at regular monitoring intervals as well as for mid or final evaluations where required during the project life-cycle. Indicators have pre-defined data collection methods, data collection frequency, data disaggregation and analysis plan, which will be followed accordingly to provide information to senior management for course correction, informed decision making and risk management.

**Output 1: improved service delivery of administrative and governance Institutions in the merged areas:** The integration of the Merged Areas in KP will require extensive introduction of governance and rule of law institutions resulting in greater access to services and constitutional rights for the population. The previous governing structures prevalent in the Merged Areas differ significantly from the rest of KP at both the District and Secretariat level, while the rule of law institutions are largely absent, with no history of operation in the areas.

The project will likewise provide technical assistance to the alignment of the administrative structure of both entities with a focus on integrating human resource systems. Smooth integration of these administrative structures will lead to improved service delivery and implementation of provincial policies and initiatives to the Merged Areas.

Further, the financial and accounting systems functional in KP differ significantly from the Newly Merged Areas, where they comply with different financial and accounting frameworks. The project will support Public Financial Management (PFM) reforms in the Merged Areas, leading to the integration of accounting and financial systems. The improved accounting and auditing systems will lead to fiscal discipline and better management of resources in the area.

Whilst the jurisdiction of the judiciary has been extended through the passage of the 25th Amendment, the Merged Areas lack the physical and human infrastructure required for the functioning of the subordinate judiciary. Furthermore, the local law enforcement institutions lack the capacity, command structure and manpower to perform the functions of a professional police force. Additionally, the various Rule of Law institutions like Prosecution need to have a physical presence in the region. The focus of this activity will be to channel technical assistance to the Provincial Government and governance and rule of law institutions in the province to extend their institutional presence in the Merged Areas and strengthening their implementation capacity. The project will provide rule of law support at a policy level, in close coordination with UNDP’s Strengthening Rule of Law Programme (SRLP) which has extensive experience in KP’s former Provincially Administered Tribal Areas. SRLP will be responsible for policy and capacity-building implementation as well as exploring options for Alternate Dispute Resolution.

**Output 2: Relevant authorities are strengthened through provision of policy level support on local governance structures in the Merged Areas**

The Merged Areas have never had an elected local governance structure, and integration will require local government elections to be held alongside the rest of the province. To date, UNDP has supported the KP Government in the formation of a Local Government (LG) framework and will support LG elections in 2019 alongside the capacity building of newly-elected officials. Technical Assistance has further been provided for the review and revision of the KP LG Act 2013
and other associated documents such as the Rules of Business and by-laws. Moreover, technical assistance was provided to the relevant authorities, including the Election Commission, in holding the delimitation exercise and elections themselves. One of the important aspects of this output will be to support the participation of women in the electoral processes.

**Output 3: Improved public trust on Government’s led reforms process in the merged areas**

A critical risk to the reform process is derailment due to poor communication. Though negative media commentary can erode political will or momentum on the process, one of the most significant risks to the merger is disaffection of the population stemming from the belief that there is no or slow progress on delivering services and rights. As such, it is critical that citizens be made aware of the government's efforts to fulfill promises as well as how to avail of the facilities that the government has created for them. The areas of work under this output will mitigate risks by focusing on bringing the integration process closer to the communities (with a particular emphasis on the inclusion of women) through expanded consultations and strategic communication campaigns on the reforms. A key focus of the work will be to inform the populace of merged areas about the impact of extension of governance institutions, specifically focusing on empowerment and awareness raising on their legal rights. Campaigns will also assuage the population's apprehensions resulting from a massive change in the governing system. Both top-down and bottom-up communication approaches will be utilized. For example, a civic and voter education campaign to inform and educate the citizenry about the upcoming Local Government reforms alongside grassroots community dialogues, inter-agency, and provincial-level dialogues and events on the integrations process will be supported.

**Output 4: Government and Private Sector Supported to Deliver the Socio-Economic Dividends of Merger**

For the integration process to be successful, the population must benefit from the economic dividends of the merger. One of the key components of the economic integration will be the implementation of the Tribal Decade Strategy and Accelerated Implementation Plan. Furthermore, the Finance Department will be supported in including the Merged Areas in the provincial fiscal planning and budgetary processes. The activities envisaged under this output will also cover technically supporting the Provincial Finance Department in negotiating the National Finance Commission (NFC) share for resourcing the Multi-year Development Plan.

Previously, the Merged Areas lacked access to provincial socio-economic inclusion initiatives. Activities planned under this output will also involve supporting the provincial government in the extension of coverage of these initiatives to these areas. The initiatives that will be supported will include health, education, employment generation etc., with a focus towards the inclusion of women. The project will also engage the private sector in areas such as health, education, and mines and minerals. Moreover, accelerated skills development and investment climate assessment in the Merged Areas will be carried out through engagement/hiring of private sector firms.

**Resources Required**

- The project will require support from the Country Office through the planning and implementation phases, including the Governance, Procurement, Finance, Human Resources, Management Support, and Security Unit. The project will also budget 8% GMS and the Direct Project Cost (DPC) as required by the CO in all its funding proposals/budgets.
- In addition to the core staff identified in the organogram, the project will engage national/international consultants and firms/organisations to support implementation of project activities.
Office space will be engaged in Islamabad and Peshawar alongside the standard IT equipment, vehicles and POL. All associated costs have been provided for in the budget.

**Partnerships**

1. **FATA Research Centre.** The FATA Research Centre (FRC) is a private, nonpartisan and apolitical research organization based in Islamabad. UNDP will partner with FRC to implement community-level engagement mechanisms, studies, and public opinion surveys.

2. **IM Sciences.** The Institute of Management Sciences (IM Sciences) is the foremost management school of Khyber Pakhtunkhwa. IM Sciences is recognized by the government as a seat of excellence to facilitate its further expansion and excellence in Information Technology, Business Administration, Public Health, and allied disciplines. UNDP will partner with IM Sciences to conduct village development profiling and support the implementation of elected Local Government Systems.

3. **The Local Governance School (LGS) in Peshawar** provides pre-service and in-service focused on local governance, basic social services, and municipal services. UNDP will partner with the LGS to deliver capacity development to the councillors and officer of the local governments.

4. **Pakistan Academy for Rural Development (PARD)** is one of the premier institutions of Pakistan that work for rural development to quality assure multi sector area development projects.

5. **Chief Minister’s Office, KP** is the highest office in the province and is responsible for running the affairs of the province together with its cabinet colleagues. The Chief Minister under the present arrangement is Minister in-charge of the Planning and Development Department and Home and Tribal Affairs Department.

6. **Planning and Development Department KP (CSDU/SSU)** is the major policy and decision-making stakeholder in the field of development. The Department plays a key role in policy making (provincial and sectoral policies, priorities for projects according to the required resources), appraisal and processing of development projects/schemes, implementation (monitoring releases and inter-sectoral re-appropriation and evaluation). The function of approval (ADP compilation, allocation of funds, the recommendation for approval) is also an important activity of the Department.

7. **Finance Department KP** deals with the preparation of annual budget statements and supplementary/excess budget statements for the consideration of the Provincial Assembly, accounts and audits of the provincial autonomous organizations, etc. Moreover, the Finance Department is responsible for resource management, financial regulation, administration of treasuries and banking.

8. **Local Government Department KP** has regulatory and administrative functions to ensure that the local governments throughout the province perform their roles and functions within the policy framework introduced under the new law. The Department has been assigned the responsibility to implement the Khyber Pakhtunkhwa Local Government Act 2013.

9. **Home and Tribal Affairs Department KP** overlooks the formal justice system, including public order and internal security, administration of justice, constitution and organization of courts (except the High Court), and prisons. The department also deals with matters associated with the Navy, Army, Air Force, Marine Services or any other armed forces.

10. **Revenue & Estate Department Government KP** is the controlling authority in all matters associated with the administration of land, collection of land revenue, and preparation of land records. Measures for bringing into effect any land reforms and social equality are also undertaken by the department through the assignment and distribution of surplus lands.

11. **Bureau of Statistics** deals with the collection, consolidation, processing, analysis, publication and dissemination of statistics on economic, social, demographic and other important dimensions.

12. **Provincial Commission of Status of Women** has a broad mandate, ranging from review of laws, rules, policies, programs and other measures of the government; to monitoring implementation of laws and policies for achievement of gender equality and elimination of discrimination against women.

13. **Civil Society (where appropriate)**

**Risks and Assumptions**

The project has been designed based on the following preconditions and assumptions:
A. The Government of KP and key stakeholders remain committed to the extension of KP governance institutions to the Merged Areas;
B. Extension of Fundamental Rights remains a governmental priority;
C. Provision of enough development funding, and allocation to Local Governments, along with planning, budgeting and auditing practices that enable improved use and effectiveness of resources;
D. Continuity of the Democratic System in National and Provincial levels;
E. The improved security environment in Merged Areas will prevail and allow for continued support to the institutions and areas outlined in this document. This includes an assumption that instability will not spill across the border. Access of UN to Merged Areas is maintained/increased throughout the project period.
F. The international community in Pakistan remains committed to supporting the merger, and global and regional actors do not undermine the process.

Considering the above assumptions, there are at least two major areas of risk related to the proposed interventions in Merged Areas:

1) **Security:** The unique operational environment of the Merged Areas has historically presented significant challenges for organizations which provide support to District-level governance. To date, access remains regulated through a process of travel and programme authorizations (i.e. No Objection Certificates - NOCs).

It is assumed that the security conditions in Merged Areas will improve however this will partly depend on the perceptions of the local population and, by reflection, the capacity of public institutions to deliver services and build confidence with the people of the Merged Areas. Considering these risks, all activities will be carried out in close coordination with the Government and security agencies to ensure a maximum level of security both for those who deliver assistance and those who receive it.

Where non-governmental partners are used, it will only be comprised of credible and registered Civil Society Organizations (CSOs), deeply rooted in the local context and connected with local communities. Due diligence on all partners will be carried out before engagement, in line with UNDP guidelines. Active participation of the communities in all phases of programme implementation will also represent a concrete mitigating measure in terms of safety and security of both programme staff and beneficiaries of the interventions implemented in the field.

2) **Government and Stakeholder Political Will:** Strong political commitment is needed to introduce significant reforms in the Merged Areas. Currently, there exists a strong level of political commitment to lead to sustainable changes in the political destiny of the Merged Areas through structural and long-term legal changes.

To mitigate this risk, the project extended its support to the existing Strategic Support Unit in the office of the Chief Minister to facilitate oversight of the integration and mainstreaming process. Through monitoring and troubleshooting on behalf of Chief Minister in delivering government priorities in selected sectors, the Unit keeps the CM focused on the merger’s highest priorities where the government cannot afford any delays or mismanagement.

Similarly, UNDP also placed advisors at departmental levels to ensure administrative buy-in. It must be acknowledged that the introduction of district-level governance reforms will face significant resistance from entrenched bureaucratic actors, their clients (largely local elites), and their allies in the legislature and provincial and national governments. The
existing funding of strategically-placed advisors by UNDP remains critical and will be a complementary and parallel engagement that will run alongside new activities outlined. The approach will include addressing the political dynamics of the reform process and providing networked technical assistance at a range of levels coordinated out of UNDP’s offices in Peshawar and Islamabad, as well as the newly established district-level UN focal points. The issue is highly complex with different power structures involved in the process and requires a careful approach which ensures the momentum and also involvement of different actors at different levels.
Stakeholder engagement and Analysis

Stakeholder engagement is based on the overall approach of problem-driven iterative adaptation. As such, the project conducts regular political analysis using multiple sources of information to understand the political economy and adapts to the changes accordingly. The key stakeholders of the project include the following:

- **The Government of KP**: These include the Chief Minister’s Office, the P&D department, Finance Department, the Local Government and Rural Development Department and other line departments and their field offices, the Rule of Law Institutions (i.e. judiciary and police) and the Home and Tribal Affairs Department and the Police Department as well as relevant provincial legislature.

- **The Military** which has the mandate of the provision of peacebuilding support to law enforcement in the area.

Each of the above stakeholders has its own statutory mandates and relevant roles in the integration process. The project will continue to engage with the above stakeholders for provision of technical assistance; to pitch for assistance in the implementation of the project’s activities and for authorization of key decisions. At each level of its engagement with the above stakeholders, the project will consider conflict sensitivity. Beneficiaries of implementation and development through engagement include:

- **The common citizens** of the Newly Merged Areas will have the opportunity to interact with many new public institutions for the first time in their life. Among the citizens, it is critical to understand the role of the **Youth**, who make up a significant part of the population of the Newly Merged Areas. The project has engaged with relevant stakeholders to make sure that the potential of youth is recognized, and efforts put in place to harness the same for long term stability and peace in the area. Similarly, **women** and other vulnerable groups will be engaged so that any conflict sensitivity associated with the implementation of institutional machinery is well measured and catered to.

- **The government officers of the line departments** working in the field and the Tehsil municipal administration also make up an important beneficiary group. The project will assist the district administration in selection and capacity building of relevant staff in financial planning, budgeting and implementation of administration tasks.

- **The elected representatives of the Local Government**: the project plans to build the capacity of the elected representatives of the village/neighbourhood and tehsil councils.

**Knowledge**

There are three streams of knowledge products to be developed under this project, each targeted at different audiences. As part of its technical support to the government, the MAG focuses on the development of various policy documents, including implementation plans for the integration process. These products are disseminated to relevant government departments involved in the integration process for review, discussions and decision-making purposes.

The second stream includes products which are meant to generate a systematic feedback loop—focused both on the creation of demand on the ground for different components of the reforms as well as a better understanding of socio-political context factors that may affect the implementation of the integration process. These include IEC material for media aimed at educating masses on governance and civic engagement; media database, social media tracking, and an FGD tracking exercise. The resulting analytical briefs and reports from these feed into policy inputs as well focused one on one discussions with relevant authorities at Federal and Provincial level with the aim of keeping the momentum on the reforms active.
The third stream includes thematic research products. These focus on identification and exploration of the specific problem area(s) through a more detailed desk and field-based research and culminate in the form of reports which can be published for dissemination to a wide range of audiences. The project recently launched a research study conducted on the implications of the reforms on stability in the Merged Areas. The findings of the research were presented to the relevant donor and disseminated further. Finally, the project is currently working on developing a comprehensive communication and visibility strategy.

**Sustainability and Scaling Up**

UNDP will take deliberate steps to secure the sustainability of its interventions through several measures. MAG has been designed based on lessons learned from previous initiatives. Further, it supports piloting and testing new activities (ex. Innovation to determine better ways to enhance women's engagement in political, social and economic life and land registration pilots underway in Kurram which can be scaled-up for socioeconomic transformation) while always leaving scope for "replicability" and scaling-up by national partners. MAG also works with UNDP and key stakeholders for strategic planning in line with stakeholders’ priorities.

Measures to sustain interventions initiated by the project will also be built into all activities. The Programme Review Board, which functions as a coordination and approval forum between UNDP, national counterparts and Donors will meet on an annual basis to approve work plans and areas of intervention. This will provide further opportunities for the project to strengthen its efforts to ensure the sustainability of its interventions.

Wider ownership, and therefore an implicit exit strategy, is inbuilt to the design of this project. For example, on the reforms side, UNDP provides technical assistance to the government in a demand-driven manner meaning that it is provided at the request and approval of the government. A strong focus of the project is on capacity building of the government to plan, communicate, implement and monitor the delivery of reforms.

Strong coordination with the government, regular progress sharing with the concerned departments and implementation of the reforms and related project activities are the key factors which will contribute to the ownership of the project by the government. Once UNDP withdraws its support from the project, the developmental activities under the project will be funded from the annual development plans of the government, and on this basis, the project will carry out activities which can be taken up in the Annual Development Plans (ADPs). On the policy and strategy formulation side, the project deliverables are formulated in line with the government action plan and will be integrated with other laws, policies, and strategies of the government to be implemented in the longer term in the Merged Areas.

**IV. Project Management**

**Cost Efficiency and Effectiveness**

The project implements Problem-Driven Iterative Adaptation. This approach means that we continuously evaluate and adapt what we do to the situation, and never spend money on activities just because we planned to previously or because we perceive that it will please donor representatives. We should, however, spend money on activities which will increase the project authorization/authority to operate. A few salient features that enhance UNDP’s position over other counterparts from economic, effectiveness and efficiency point of view are described as:
UN and UNDP’s Comparative Advantage

The UN’s comparative advantage such as a license to operate, its legitimacy with the government counterparts, operational footprint and security management system contribute directly to reduced risk, and maximum impact of each pound spent to improve development indicators. The most recently published multi-lateral aid review established UNDP globally as “good value for UK foreign aid money.”

UNDP’s central role with Federal and KP Government

UNDP’s team is based in Peshawar and Islamabad with regular access to the KP Government and Federal Government’s key officials. UNDP also has a central role with the government of KP and its bureaucracy. The project will engage government counterparts at a higher level, i.e. grade 20-22 and involve the government in the project planning process to ensure that project priorities are aligned with the political economy dynamics. This will also help reduce coordination costs.

UNDP’s Frontline Team

UNDP already has a well-positioned and skilled team of technical experts stationed at its Peshawar office, which further increases its ability to be responsive in the implementation of the project activities. The project will be directly managed by a P4 level international Chief Technical Specialist (based in Islamabad) along with a strong project team (detailed in the HR section). This team shall directly supervise the implementation of the project, manage partnerships and the fiduciary processes.

Reduction of Overhead Costs

MAG aims to reduce overhead and operational costs through innovative ways. Some of the initial successes in this area include:

1. Use of agency-rented vehicles where possible reduces motor-pool, security costs, and paperwork.
2. Personnel outplacement: Personnel outplacement significantly reduces hiring lag, compliance costs in the recruitment process, security costs, and inflexibility.
3. Reducing financial transaction frequency: All reimbursement vouchers are held until the end of the month, and processed as a single transaction, reducing transaction costs by approximately 75%.

Additionally, there are currently significant coordination costs associated with UNDP sectoral projects, including SRLP, DLG, and FTRP. MAG will be reducing these costs by building relationships across the projects and setting out clear delimitation of tasks. All projects need to be empowered to proceed with the implementation of their work plans without excessive coordination costs with other projects.

Further details on project management and project structure are provided in Section VIII.

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V. RESULTS FRAMEWORK⁶

⁶ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that Indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.
### EXPECTED OUTPUTS

**OUTPUT INDICATORS**

<table>
<thead>
<tr>
<th>DATA SOURCE</th>
<th>BASELINE 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>Year</td>
</tr>
<tr>
<td>Year</td>
<td>Year</td>
</tr>
<tr>
<td>Year</td>
<td>FINAL</td>
</tr>
<tr>
<td>2019</td>
<td>2020</td>
</tr>
</tbody>
</table>

### TARGETS (by frequency of data collection)

---

### DATA COLLECTION METHODS & RISKS

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### Intended Outcome as stated in the UNSDF/Country Programme Results and Resource Framework:
Outcome 9: By 2022, the people in Pakistan, especially the most vulnerable and marginalized, have increased knowledge of their rights and improved access to more accountable, transparent and effective governance mechanisms and rule of law institutions.

### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

### Applicable Output(s) from the UNDP Strategic Plan:
SP Output: 1.1.1: Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyse progress towards the SDGs, using innovative and data-driven solutions

### Project title and Atlas Project Number:
Merged Areas Governance Project - 00108127

### Output 1: improved service delivery of administrative and governance Institutions in the merged areas

<table>
<thead>
<tr>
<th>Extent to which administrative structures are gender mainstreamed and aligned to integrate human resource systems for improved service delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Records and Notifications</strong></td>
</tr>
<tr>
<td>Scale Description:</td>
</tr>
<tr>
<td>Scale 1 = Administrative structures are neither gender mainstreamed nor aligned to integrate human resource systems for improved service delivery</td>
</tr>
<tr>
<td>Scale 2 = TA units established to support administrative structures to improve service delivery and gender mainstreaming</td>
</tr>
<tr>
<td>Scale 3 = Administrative structures have improved gender mainstreaming and have functioning human resource systems for improved service delivery</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

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It is recommended that projects use output Indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.
<table>
<thead>
<tr>
<th>Output 2: Relevant authorities are strengthened through provision of policy level support on local governance structures in the Merged Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2. Extent to which financial accounting and auditing systems are in place in merged areas. Scale 1 = Financial integration plan drafted and approved. Scale 2 = Financial integration plan implemented. Scale 3 = Final integration plan evaluated. Scale 4 = Accounting and auditing systems are in place.</td>
</tr>
<tr>
<td>Government Records</td>
</tr>
<tr>
<td>Technical assistance/consultants, deliverable reports, Progress reports,</td>
</tr>
<tr>
<td>1.3. Extent to which Governance Institutions are strengthened to extend their presence in the merged areas. Scale 1 = No capacity. Scale 2 = Institutions are partially strengthened. Scale 3 = Institutions are strengthened.</td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>2.1 Extent to which the newly elected local governments are effectively operational. Scale 1 = no legal framework. 2 = legal framework established. 3 = elections held, results notified, permanent staff hired. 4 = councillors and staff oriented and trained.</td>
</tr>
<tr>
<td>Government Records</td>
</tr>
<tr>
<td>Technical Assistance/consultants deliverable reports, Progress reports, attendance sheets</td>
</tr>
<tr>
<td>2.2 No of new Elected Local Governments established</td>
</tr>
<tr>
<td>Government records and program data n</td>
</tr>
<tr>
<td>Technical Assistance/consultants deliverable reports, IM Sciences Progress Reports</td>
</tr>
<tr>
<td>Output 3: Improved public trust on Government's led reforms process in the merged areas</td>
</tr>
<tr>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>3.1 # of people reached (disaggregated by gender) through communication and civic education campaign to support the reforms process.</td>
</tr>
<tr>
<td>Program Data</td>
</tr>
<tr>
<td>3.2 # of households reached by the Tribal Barometer</td>
</tr>
<tr>
<td>Government Records</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 4 Government and Private Sector Supported to Deliver the Socio-Economic Dividends of Merger</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 KP government's position on NFC reflects UNDP's analytical support</td>
</tr>
<tr>
<td>PFC Award Allocation</td>
</tr>
<tr>
<td>4.2 Multi-year NMD development plan finalized, approved, and reflected in annual development plan</td>
</tr>
<tr>
<td>Government Records; Program data</td>
</tr>
<tr>
<td>4.3 Percentage increase in development funds that are allocated to NMDs on the basis of an agreed formula</td>
</tr>
<tr>
<td>Government records; program data</td>
</tr>
</tbody>
</table>

VI. MONITORING AND EVALUATION

In accordance with UNDP’s programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: (Note: monitoring and evaluation plans should be adapted to project context, as needed)

Monitoring Plan

<table>
<thead>
<tr>
<th>Monitoring Activity</th>
<th>Purpose</th>
<th>Frequency</th>
<th>Expected Action</th>
<th>Partners (if joint)</th>
<th>Cost (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Track results progress</td>
<td>Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.</td>
<td>Quarterly, or in the frequency required for each indicator.</td>
<td>Slower than expected progress will be addressed by project management.</td>
<td>Implementing Partner M&amp;E team</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Monitor and Manage Risk</strong></td>
<td>Identify specific risks that may threaten the achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP’s Social and Environmental Standards. Audits will be conducted in accordance with UNDP’s audit policy to manage financial risk.</td>
<td>Quarterly</td>
<td>Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Learn</strong></td>
<td>Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.</td>
<td>At least annually</td>
<td>Relevant lessons are captured by the project team and used to inform management decisions.</td>
<td>Implementing Partner M&amp;E team</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Annual Project Quality Assurance</strong></td>
<td>The quality of the project will be assessed against UNDP’s quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.</td>
<td>Annually</td>
<td>Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Review and Make Course Corrections</strong></td>
<td>An internal review of data and evidence from all monitoring actions to inform decision making.</td>
<td>At least annually</td>
<td>Performance data, risks, lessons, and quality will be discussed by the project board and used to make course corrections.</td>
<td>Implementing Partner</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Project Report</strong></td>
<td>A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.</td>
<td>Annually, and at the end of the project (final report)</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Project Review (Project Board)

The project’s governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project’s final year, the Project Board shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and sharing project results and lessons learned with relevant audiences.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</td>
</tr>
</tbody>
</table>

#### Evaluation Plan*

<table>
<thead>
<tr>
<th>Evaluation Title</th>
<th>Partners (if joint)</th>
<th>Related Strategic Plan Output</th>
<th>UNDAF/CPD Outcome</th>
<th>Planned Completion Date</th>
<th>Key Evaluation Stakeholders</th>
<th>Cost and Source of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-term Evaluation</td>
<td>Firm/ NGO</td>
<td>Output 9.1 Democratic governance of state institutions, including Parliament, provincial assemblies, local governments, and electoral management bodies, strengthened to be responsive to citizens and accountability, for improved service delivery.</td>
<td>CPD Outcome 1: Increased effectiveness and accountability of governance mechanisms</td>
<td>Dec 2020</td>
<td>UNDP; DFID USAID; GoP</td>
<td>USD 100,000 DFID; USAID</td>
</tr>
</tbody>
</table>

*Optional, if needed
| End line Survey | Firm/ NGO | Output 9.1 Democratic governance of state institutions, including Parliament, provincial assemblies, local governments, and electoral management bodies, strengthened to be responsive to citizens and accountability, for improved service delivery. | Dec 2022 | UNDP; DFID USAID; GoP | USD 100,000 DFID; USAID | CPD Outcome 1: Increased effectiveness and accountability of governance mechanisms |
VII. **Multi-Year Work Plan**

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully cost in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Planned Activities</th>
<th>Planned Budget by Year</th>
<th>Responsible Party</th>
<th>Planned Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1</td>
<td>Improved service delivery of administrative and governance Institutions in the merged areas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Result 1.1.1</td>
<td>Technical Assistance to Government to Plan, Implement and Monitor the Integration Process.</td>
<td>965,266</td>
<td>2,285,519</td>
<td>3,663,249</td>
</tr>
<tr>
<td>Activity Result 1.1.1b</td>
<td>Leverage International Support for the reform process in support of a political compact on FATA reforms</td>
<td>84,113</td>
<td>2,329</td>
<td>0</td>
</tr>
<tr>
<td>Activity Result 1.2.1</td>
<td>Technical Assistance to PFM integration and pension reforms in NMDs and strengthening of capacities for PFM at the district level</td>
<td>6,953</td>
<td>1,713,027</td>
<td>0</td>
</tr>
<tr>
<td>Activity Result 1.3.1a</td>
<td>Activity: Enhanced capacity of the government to coordinate international assistance to KP &amp; FATA</td>
<td>0</td>
<td>172,505</td>
<td>0</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td></td>
<td>60,247</td>
<td>130,007</td>
<td>36,571</td>
</tr>
</tbody>
</table>

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8 Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32.

10 Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.
<table>
<thead>
<tr>
<th>MONITORING</th>
<th>15000</th>
<th>10,000</th>
<th>5,000</th>
<th>25,000</th>
<th>5,000</th>
<th>UNDP</th>
<th>DFID; CSSF; USAID</th>
<th>RPA</th>
<th>60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-Total for Output 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,054,964</td>
</tr>
<tr>
<td><strong>Output 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relevant authorities are strengthened through provision of policy level support on local governance structures in the Merged Areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1.1a Activity Technical Assistance for Introduction of Elected Local Government</td>
<td>214,051</td>
<td>1,780,476</td>
<td>664,220</td>
<td>600,000</td>
<td>50,000</td>
<td>UNDP</td>
<td>USAID, DFID</td>
<td>LOA</td>
<td>3,308,747</td>
</tr>
<tr>
<td>2.1.1b Activity Technical Assistance to Urban Planning</td>
<td>0</td>
<td>134,483</td>
<td>30,000</td>
<td>400,000</td>
<td>0</td>
<td>UNDP</td>
<td>USAID, DFID</td>
<td>LOA</td>
<td>564,483</td>
</tr>
<tr>
<td>2.2.1 Activity Development and oversight of implementation of municipal/urban services delivery plan</td>
<td>29,504</td>
<td>3,096</td>
<td>0</td>
<td>250,000</td>
<td>50,000</td>
<td>UNDP</td>
<td>USAID, DFID</td>
<td>LOA</td>
<td>332,600</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>61,370</td>
<td>48,323</td>
<td>414,421</td>
<td>65000</td>
<td>15,000</td>
<td>UNDP</td>
<td>USAID</td>
<td>LOA</td>
<td>604,114</td>
</tr>
<tr>
<td>Monitoring</td>
<td>15,000</td>
<td>10,000</td>
<td>5,000</td>
<td>10,000</td>
<td>3,000</td>
<td>UNDP</td>
<td>DFID; CSSF; USAID</td>
<td>RPA</td>
<td>43,000</td>
</tr>
<tr>
<td><strong>Subtotal for output 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,852,944</td>
</tr>
<tr>
<td><strong>Output 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved public trust on Government’s led reforms process in the merged areas</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>3.1.1 Activity: Strategic Communication &amp; Public Outreach Support to Government to Effectively Communicate on the Integration Process. (May include Civic and Voter Education in collaboration with stakeholders including SELP)</td>
<td>545,959</td>
<td>3,601,135</td>
<td>280,180</td>
<td>400,000</td>
<td>100,000</td>
<td>UNDP</td>
<td>DFID; CSSF; USAID</td>
<td>LOA</td>
<td>4,927,274</td>
</tr>
<tr>
<td>3.2.1 Activity Gender empowerment activities in the Merged Areas</td>
<td>0</td>
<td>312,479</td>
<td>0</td>
<td>0</td>
<td></td>
<td>UNDP</td>
<td>DFID</td>
<td>LOA</td>
<td>312,479</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>17,187</td>
<td>17395</td>
<td>16,000</td>
<td>65,000</td>
<td>15,000</td>
<td>UNDP</td>
<td>USAID</td>
<td>LOA</td>
<td>130,582</td>
</tr>
<tr>
<td>MONITORING</td>
<td>20,000</td>
<td>10,000</td>
<td>5,000</td>
<td>10,000</td>
<td>6,432</td>
<td>UNDP</td>
<td>DFID; CSSF; USAID</td>
<td>RPA</td>
<td>51,432</td>
</tr>
<tr>
<td>Output 4: Government and Private Sector Supported to Deliver the Socio-Economic Dividends of Merger.</td>
<td>Sub-Total for Output 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Activity 4.1.1. Technical Assistance to National Finance Commission Processes and Provincial Finance Commission Processes</td>
<td>0</td>
<td>121,014</td>
<td>UNDP</td>
<td>DFID</td>
<td>121,014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 4.2.1.a Support economic inclusion through 1. Technical Assistance to improved consultation and evidence-base 2. Support for sustainable development strategy development and Merged Areas development plan</td>
<td>81,409</td>
<td>1,841,560</td>
<td>UNDP/DFID: DFID(SPD)</td>
<td>1,922,969</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 4.2.1.b Successful completion of SPDF and IDS through technical assistance, lessons learnt and evaluation</td>
<td>86,949</td>
<td>46,947</td>
<td>UNDP</td>
<td>DFID</td>
<td>RPA</td>
<td>133,896</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3.1. Provide support to Government in the conduct of surveys and the collection of data on socio-economic indices and investment environment</td>
<td>0</td>
<td>309,135</td>
<td>UNDP</td>
<td>DFID</td>
<td>RPA</td>
<td>309,135</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Monitoring</td>
<td>10,000</td>
<td>10,000</td>
<td>DFID: RPA</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal for output 4</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,507,014</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

| Evaluation (as relevant) | EVALUATION | 70,000 | 0 | 100,000 | 170,000 |
| General Management Support | @ 8% | 182,641 | 934,503 | 409,572 | 278,000 | 45,568 | 1,850,284 |
| **TOTAL** | | | | | **25,856,973** |
VIII. Governance and Management Arrangements

Project Management

This project will employ an adaptive management approach and will be driven by locally defined problems (rather than programming around a best-practice solution), pursuing problem-driven positive deviance based on what is already working on the ground rather than outside prescriptions, an adaptive policy cycle and scaling success iterations through diffusion. Learning and practices through this project will be diffused both local and more broadly through established techniques.

Programs are also harmonized with the country level outcomes in the Country Programme Document (and the One UN Programme II) and to UNDP’s Global Strategic Plan.

Project Review Board

The project will be guided by a Project Review Board, which will provide strategic direction and oversight. It is planned that this committee will be co-chaired by Additional Chief Secretary (ACS) Planning & Development, UNDP Country Director and will include relevant provincial and federal ministries (e.g. Home & Tribal Affairs), line ministries/departments, and donors. The Economic Affairs Division (EAD) will be a key counterpart at the federal level. It is proposed that the committee shall meet on an annual basis. The purpose of the committee is to:

A. Review annual project progress;
B. Approve annual outputs from the annual work plan;
C. Avoid overlap and duplication with any other programs;

Special sessions of the Project Review Board may be called on an as-needed basis should any significant change to the project design or implementation be required. Meetings may be in person or virtual. Project review board meetings may be combined with other events when appropriate.

The Chief Technical Specialist (P4), will serve as programme manager, with overall responsibility for the project delivery and quality assurance. S/he will work in close coordination with the Chief Technical Advisors from Elections and Parliament (SELP) and Decentralization and Local Government (D&LG) to ensure that programming is delivered to the highest technical standards in each respective area. The Chief Technical Specialist will have budgetary and reporting responsibility and will, along with the ARR, be the chief contact point for the project. Specific activities (local government elections, for instance), will be delivered by SELP or D&LG based on technical skills and existing institutional relationships. The costs of the core senior and mid-level staff will be shared with other projects in accordance with the level of effort.

A core technical assistance team will be based in the Strategic Support Unit KP Chief Minister’s office led by a national expert on governance and comprising of experts and analysts in various thematic areas including but not limited to Local Governance, Public Finance Management, Social Sector reforms etc. Depending on the needs of the integration process and request for support from the government, the technical assistance team can be expanded to include delivery units in different provincial departments to provide specialized support. This team will work in collaboration with the SRLP, SELP and D&LG teams on respective technical areas. Dedicated programme management and operations will be based in Peshawar sub-office and country office in Islamabad to support smooth management of project activities.
Organogram:

Programme Review Board
Chaired by Chief Secretary and UNDP Resident Representative

Advisory Board

Assistant Resident Representative
DGU
Kaiser Ishaque

Chief Technical Specialist
Skye Christensen

Project Manager
Naima Saeed

Operations Manager
Aamir Islam

Senior Strategic Advisor
Javed Iqbal

Local Government
Khalid Khan

StratComs
Fasi Zaka

Economic Growth
Musharraf Rasool

Governance and Rule of Law
Sahibzada Saeed
IX. **LEGAL CONTEXT**

The project document shall be the instrument envisaged and defined in the Supplemental Provisions to the Project Document, attached hereto and forming an integral part hereof, as “the Project Document”.

This project will be implemented by UNDP ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. **RISK MANAGEMENT**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS).

2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]11 [UNDP funds received pursuant to the Project Document]12 are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.


4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

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11 To be used where UNDP is the Implementing Partner
12 To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner
a. Consistent with the *Supplemental Provisions to the Project Document*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

   i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

   ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.

d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality. Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit.
and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

h. Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, mutatis mutandis, in all its sub-contracts or sub-agreements entered into further to this Project Document.
XI. ANNEXES

1. Project Quality Assurance Report

2. Social and Environmental Screening

3. Risk Analysis.