

	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	/
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14 02 01 31 Total estimated cost: EUR 168.9 million ¹ Total amount of EU budget contribution EUR 17 million This action is co-financed in parallel co-financing for 151.9 M EUR by: <ul style="list-style-type: none">• International Fund for Agricultural Development (IFAD) for an amount of USD 84 million loan (75.5 M EUR)• Government of Khyber Pakhtunkhwa Province for an amount of USD 40 million (35.95 M EUR)• Beneficiaries for an amount of USD 45 million (40.46 M EUR)			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with United Nations International Fund for Agricultural Development (IFAD)			

1.2 Summary of the Action

Pakistan is a lower-middle income country with 64 % of its 217 million population living in rural areas. Poverty and inequality leading to alarming food insecurity levels (37% of households) remain major challenges for human and economic development. The macroeconomic situation has worsened since 2018 due to high fiscal and current account deficits, low levels of reserves, and COVID19.

Khyber Pakhtunkhwa Province (KP) has a population of 35 million with a youth bulge of about 29%. The multidimensional level of poverty is 49% (58% rural) against a national average of 39%, and the newly merged districts of the erstwhile Federally-Administered Tribal Areas (ex-FATA) are among the poorest regions of Pakistan. KP is home to around 800,000 Afghan refugees of which 58 % are living in host communities. The province is highly vulnerable to the impacts of climate change, including economic disruption owing to natural disasters.

Pakistan experienced in 2022 the worst floods in more than a decade with the monsoon season. The southern and central provinces have been the most severely impacted, in particular the Balochistan and Sindh provinces, but

¹ IFAD co-financing USD 84 million estimated at EUR 75.50 million; Government of Khyber Pakhtunkhwa Province co-financing USD 40 million estimated at EUR 35.95 million; co-financing from beneficiaries USD 45 million estimated at EUR 40.46 million (InforEuro April 2022)