



ECONOMIC TRANSFORMATION INITIATIVE GILGIT-BALTISTAN (ETI-GB)



7 YEARS' FACT SHEET

MAY 2016 - SEPTEMBER 2022

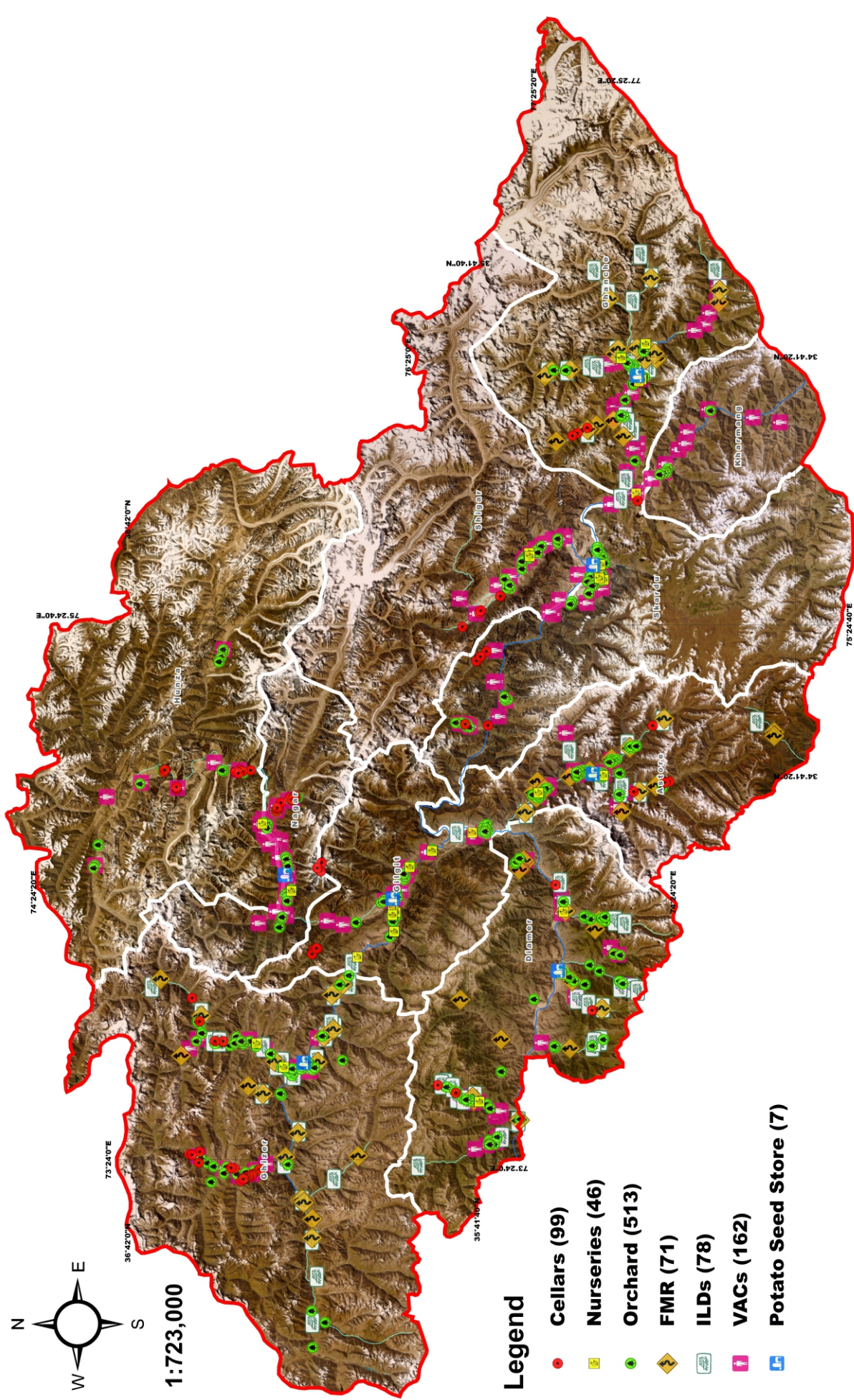
Legend

- Cellars (99)
- Nurseries (46)
- Orchard (513)
- FMR (71)
- ILDs (78)
- VACs (162)
- Potato Seed Store (7)

Scale: 1:723,000

Compass Rose: N, S, E, W

Map Labels: Peshawar, Mardan, Chitral, Dir, Swat, Buner, Khyber, FATA, NWFP, Punjab, Sindh, Balochistan, Islamabad Capital Territory.



ECONOMIC TRANSFORMATION INITIATIVE GILGIT-BALTISTAN (ETI-GB)

PLANNING AND DEVELOPMENT DEPARTMENT, GOVERNMENT OF GILGIT-BALTISTAN

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Background

With an overall development goal of “*improving income and reducing poverty and malnutrition in rural areas of Gilgit-Baltistan*”, The Economic Transformation Initiative, Gilgit-Baltistan (ETI-GB) is a development programme of Government of Gilgit-Baltistan (initially approved for seven years (2015-2022) co-funded by International Fund for Agriculture Development (IFAD) and Italian Agency for Development Cooperation (AICS). With a financial outlay of USD 120 million, the programme aims at benefiting 100,000 rural households of Gilgit-Baltistan through implementing a range of activities under its three key components- **(I) Economic Infrastructure** (Irrigation & Land Development and Farm to Market Roads), **(II) Support Services for Value Chain Development** through Value Chain Technical Assistance and financial support (on farm, off farm, non-farm matching grants and subsidies) to all value chain actors, Social/Farmers Mobilization & Institution Building, Agri Extension, Research, and Land Titling Systems, and **(III) Programme Management and**

Policy Support- to the Govt. and Line Departments in capacity building, land titling, Water and Road Master Plan and O&M policies.

Despite the challenging context due to one-year delayed start, Covid-19 pandemic, subsequent lockdowns, geographical challenges, and changes in implementation approaches over the course of implementation, the programme made a significant progress against its set targets with tangible outcomes in all aspects. Also, the programme has achieved milestone on policy related matters and strategic spheres of the programme. Recognizing these tangible outcomes of the programme, the Government of Gilgit-Baltistan and IFAD approved three-years extension (October 2022-September 2025), with expansion of its infrastructure activities to entire region. Moreover, Italian Agency for Development Cooperation (AICS) has also joined the programme as co-financier for the extension phase contributing its share to the project.

COMPONENT 1: ECONOMIC INFRASTRUCTURE

This component aims at substantially increasing the current irrigated area in four priority districts and providing improved access to markets through upgraded road links. This critical component of the programme consists of two subcomponents; **a) Irrigation and Land Development (ILD)** that aims at developing 50,000 acres of barren land through implementing community led irrigation and land development schemes, **b) Farm to Market Road (FMR)** aiming at improving critical road linkage for the supported value chains linking the production areas to valley roads and main roads. This sub-component focuses on upgradation/construction of 400 km of shingle compacted roads and span of 220-meter reinforced cement concrete (RCC) bridges. As of end of the first phase, the programme implemented 78 ILD schemes with a total command area of over 42,600

benefitting 29,300 households and 71 FMRs with cumulative length of 384.6 kms while 07 RCC bridges with total span of 191 meter have been constructed. These interventions have significantly impacted the expansion of landholding of beneficiary communities by adding average 1.5 acres of additional land to existing landholding while FMRs have enabled communities not only to access the productive areas easily but also reduced substantially the labor, transportation cost and time. The construction of FMRs significantly reduced the workload of women and children. Beside overall economic transformation, this road connectivity also contributed substantially in transforming traditional agriculture practices to modern mechanized farming using machines for crop cultivation, harvesting and transportation.

STATUS	ASTORE	DIAMER	GHANCHE	GHIZER	TOTAL
NUMBER OF ILD SCHEMES	10	22	22	24	78
COMMAND AREA - ACRES	4,177	12,358	10,671	15,467	42,673
NUMBER OF FMR SCHEMES	15	15	22	19	71
FMR LENGTH - KM	73	95	84	133	385
NUMBER OF RCC BRIDGES	1	3	1	2	7
BRIDGES SPAN - METER	35	50	33	73	191



Outreach:

Over 90,000 Households



Economic Infrastructure:

Over 40,000 Households (8.6% Poor Households, 2% Women Headed Households)

Value Chain: 50,252 Households
(69% Men, 31% Women, 29% Youth)

1 Irrigation and Land Development

Brought over 42,600 acres land under irrigation command through 78 irrigation schemes including; 5 solar pilot lift, siphon and open irrigation channels (444 km cumulative length of channels).



2 Farm to Market Road

Constructed 384 kms FMR, 7 RCC bridges (191-meter cumulative span) and 17 wooden suspension bridges.



COMPONENT 2: SUPPORT SERVICES/PPPP FOR VALUE CHAIN DEVELOPMENT

The component focuses on commercial and market-oriented production, emphasizing value addition through organized groups of farmers, specifically Village Agriculture Cooperatives, and other players in the value chain. It comprises five sub-components:

2.1

Value Chain Support Fund: Aiming to meet the financing needs of value chain actors—farmers, farmers' organizations, traders, processors, packagers, and exporters—on a matching grant basis.

2.2

Social Mobilization (Farmers Organization and Institution Building): Designed to organize farmers into groups and associations to address challenges related to scattered production, aggregation, quality control, and to establish extension and research links with smallholders.

2.3

Agriculture Extension: Providing demand-driven extension services to organized farmers.

2.4

Agriculture Research: Primarily addressing the shortage of quality potato seed in the region through research and development for seed multiplication and contract-centered seed production programs.

2.5

Land Titling Systems: Aiming to secure land titles for beneficiaries of irrigation and land development interventions, while also enhancing the capacities of the relevant department.

In the initial years of the program's implementation, interventions were focused on two prioritized agricultural products—Apricot and Potato. Farmers were organized into informal groups called Farmer Organizations (FOs) and Village Producer Groups (VPGs). During the

Mid-Term Review (MTR), other promising agricultural commodities with the potential for production and contribution to agricultural income were also focused. The program worked on strategy and presented comprehensive solutions to key challenges in developing value chains for both

prioritized products. Implementation was supported by multiple partners, including the Agriculture Extension and Research Department, Social Mobilization Partner (SMP), and the Value Chain Technical Assistance Team (VCTAT).

Key Achievements before MTR (2019)

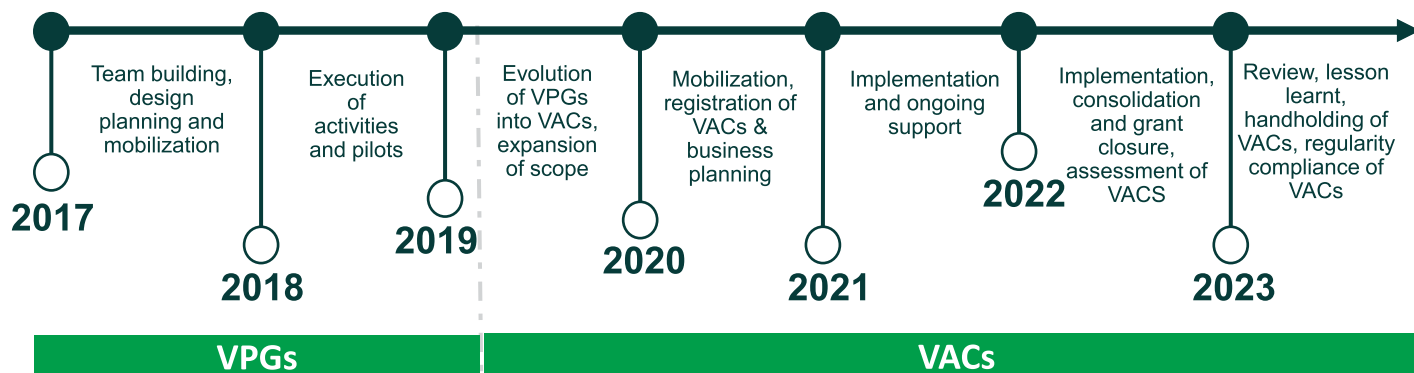
Value Chain Interventions and Beneficiary Farmers

Interventions	Diamer		Baltistan				Gilgit				Total
	Astore	Diamer	Ghanche	Kharmang	Shigar	Skardu	Ghizer	Gilgit	Hunza	Nagar	
Potato Seed Multiplication Beneficiaries	156	31	302	-	283	437	304	111	204	181	2,009
<i>*Potato Stores/Cellers</i>	8	5	3		7	9	27	8	15	17	99
<i>*Machinery (Ridger and Digger)</i>			2			5	7	5	7	8	34
<i>*Seed Potato Stores (50 MT each)</i>	1	1	1			1	1	1		1	7
No. of Orchards	98	84	49	7	23	51	58	85	35	23	513
No. of Nurseries	2	2	4	1	2	2	2	8	1	1	25
Apricot Value Addition	-	-	181	652	162	-	1,965	300	1,593	1,062	5,915
<i>*Processing Facilities</i>				1			3	2	2		8
Dairy (AKMD)	-	-	-	-	-	-	-	360	-	-	360
Vertical Farming (Pilot phase)	183	-	-	-	57	141	128	36	362	-	907
Total	439	117	536	660	527	631	2,457	900	2,195	1,267	9,729

**Shows numbers only.*



Evolution of Informal Farmer Groups into Legal Business Entities (VACs)



Following MTR recommendations, the program shifted its implementation strategy, opting for the organization of farmers into legally registered formal entities—Village Agriculture Cooperatives (VACs). This departure from small informal groups has proven beneficial in addressing challenges like scattered production, aggregation, quality, scale, and collective marketing. Over 40,900 farmers organized into 162 VACs across GB, registered with the Cooperative Department. Business plans ensuring incremental rural farmers' income were developed for all VACs, reviewed modified and vetted by the financiers and were implemented during the 2021 and

2022 agriculture campaigns. ETI-GB invested over Rs. 1.5 billion through VACs as matching grant in supporting farmers on 20 agriculture commodities, addressing pre and post-harvest losses, quality improvement, collective marketing, and linkage development. These commodities include apricot, cherry, apple, nuts, and various interventions in vegetable production such as cucumber, tomato, and capsicum. Additionally, the program granted office management support to all VACs. Encouraging outcomes include increased production, enhanced quality, value addition, collective marketing success, and cooperative networking, ultimately leading to heightened farmer income.



Key Achievements (Post MTR)

Region	Diamer		Baltistan				Gilgit				Total
District	Astore	Diamer	Ghanche	Kharmang	Shigar	Skardu	Ghizer	Gilgit	Hunza	Nagar	
*No. of VACs	15	23	18	9	15	21	16	11	19	15	162
Number of Farmers	3,351	5,024	4,584	2,194	3,839	5,184	4,128	3,058	5,453	3,798	40,613

*15 VACs are women specific.

Achievements of Agriculture Extension and Research

The agriculture Extension and Research Department continued providing demand driven extension services to both formal and informal farmer organizations, VPGs, VACs and individual farmers in pre and post-harvest practices, soil testing, improvement, farmers' owned nurseries and orchards for availability of improved variety of planting materials and fruits. In addition, Agriculture Research performed seed potato multiplication through contract farming to address paucity of quality seed potato. Under the components, the programme also strengthens the capacity of both departments providing technical, human and material resources for provision of sustainable extension and research support to farmers.



- Established 21 private nurseries for improved fruit plant varieties.
- Built 7 seed stores (50 MT capacity each).
- Installed 32 green houses and plastic tunnels for vegetables growing.
- Introduced 24 improved germ plasm.
- Conducted soil survey training for 234 participants.
- Collected 276 soil samples for land use planning and extension support.
- Provided production and post-harvest training for 2,412 farmers with 60% female representation.
- Provided contract growing training for 754 farmers.
- Produced 4.6 MT nucleus seed potatoes.
- Produced 338 MT of improved varieties of seed potatoes.
- Conducted farmers' field days, benefitting 430 farmers.
- Improved capacities of over 250 technical and support staff.



COMPONENT 3: PROGRAMME MANAGEMENT AND POLICY SUPPORT

This component aims at providing an effective programme coordination, procurement, monitoring and technical support capability at Gilgit-Baltistan level for effective management of programme resources and attainment of its objectives. The key elements of programme management and policy support and overall progress during the phase remain as under.

The **Economic Affairs Division (EAD)**, acting as the primary coordinating agency for financiers and responsible for subsequent monitoring, provided unwavering support to the program in addressing various matters with financiers throughout the phase. The comprehensive oversight of program financing, fund availability, and of expenditure, played a pivotal role in facilitating substantial progress across all dimensions. This support not only led to a three-year extension beyond the normal completion timelines but also facilitated the mobilization of AICS finances as a co-financier for the extension phase.

The **Program Steering Committee (PSC)** offered overarching policy and administrative support, coordination, and direction in alignment with financing agreements and recommendations from support and supervision missions. A series of PSC meetings addressed various policy and administrative matters, including the approval of Annual Workplans and Budgets, policy and regulatory directions, modifications in program implementation approaches, progress review, oversight, and other agenda points.

The **Planning and Development Department of Gilgit-Baltistan**, serving as the lead agency and parent department of the program, provided crucial administrative and technical support to program management. In addition to playing a pivotal role in program support, coordination, administration, and supervision, the department's leadership made a significant impact in achieving program targets and addressing challenges affecting the program. The department's effective coordination and communication with the Government of GB, financiers, and EAD resulted in significant progress with tangible outcomes, especially in policy matters such as land titling, the transfer of FMRs to



GB Works Department, program extension, and the expansion of its infrastructure component to leftover districts.

The **Programme Coordination Committee (PCC)**, led by the Programme Coordination at ETI, with representation from each implementing partner and department, proved effective as a planning, coordination, progress review, and decision-making forum for programme related matters and the implementation of AWP&Bs. Regular committee meetings facilitated progress reviews, planning, and decision-making on emergent issues and challenges. Similar practices were replicated at regional levels in all three regions for close coordination and communication between partner organizations, line departments, and other stakeholders.

The **Program Coordination Units**, comprising an autonomous and fully empowered program coordination and three regional coordination units (RCUs) in Gilgit, Baltistan, and Diamer, remained fully functional throughout this period. After recruiting key management positions, the PCU was engaged in formulating implementation mechanisms and strategies, recruitment processes, office establishments, policies and procedures, implementation manuals and guidelines, preparing AWP&Bs, monitoring, progress reviews and planning, procurements of goods and services, financial management, disbursements, and overall coordination. Alongside day-to-day management and coordination, the RCUs effectively functioned in coordinating and implementing activities in the regions, villages, and valleys with communities and other stakeholders. Core functions of the RCUs included activity-level monitoring, assessments, data collection, periodic

reporting, and facilitating and strengthening linkages with key implementing partners during this phase.

The **Directorates of Irrigation and Water Management, Agriculture Extension, and Research**, in close coordination and supervision of the program, executed component-related targets and activities as outlined in the PC-I. This included top-level supervision and verification of work done in ILD schemes, extension support and training of farmers, and research activities such as seed multiplication and the strengthening of departments through staff capacity building.

The **Cooperative Department, GB**: The Cooperative Department played a key role in registration, audit, and oversight of all the Village Agriculture Cooperatives (VACs) established through ETI-GB.

The **Gilgit-Baltistan Board of Revenue (GBBOR)**: GBBOR is one of the key line departments that is implementing the landmark decision of the awarding land titles to the beneficiary households of irrigation and land development schemes. The program is supporting the department in strengthening its capacities through financial and technical assistance.

Policy Formulation Support

ETI to provide policy formulation support to the government in several areas related to value chain development identifying priority areas for project investments. These include land titling, Water Policy, Roads Master Plan and O&M Policy, Seed and Products and quality certification etc. During this period, the programme achieved important milestones through support and remarkable decisions of GB Government. The GB Government approved Land Titling Policy for ETI-GB developed lands in its 16th Cabinet meeting held on 14th February 2022 and handing over of all FMRs to GB Works Department for future O&M. However, formulation of Water and Road O&M Policy is in progress and will be completed in the extension phase.





ETI-GB'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)



Investing in Smallholders- generate improved and more resilient livelihoods for all poor rural people, including smallholder farmers, land-poor and landless workers, women, and youth.



Investment and engagement of women in various programme activities and promoting women representation in leadership roles, ensure equal access of rural women to productive assets and services, to employment and market opportunities.



Through economic infrastructure and VC interventions- fostering inclusive, diversified and productive rural economies that create opportunities for decent work and income generation. ETI-GB invests in rural people to increase their productive capacities and their benefits from market participation. Direct investment in rural economy in the form of wages, construction and VC interventions



Investing in approaches to sustainable agriculture that better preserve and restore the natural resource base and increase the resilience of farming systems to a changing climate and Plantation on new lands.



Foster inclusive, diversified, and productive rural economies - including in the areas of agribusiness, and rural-urban linkages,



Through establishing and strengthening local institutions and natural resource governance

Supervision and Support Missions

Enhancing the project implementation's quality and realizing more impactful outcomes on the field are key focuses for IFAD, and are ensured through efficient oversight and targeted implementation assistance. Over this period, IFAD conducted 15 support and supervision missions, emphasizing impact-based assessment, addressing challenges, and setting action plans for program results. These missions focused on social, economic, and environmental aspects, with special attention to enhancing targeting and integrating gender, youth, and impoverished households. In supervision missions, IFAD ensured compliance with financial agreements, procurement, fund usage, and project implementation support. In 2019, the Mid-Term Review proposed design adjustments, including incorporating promising agriculture commodities into the value chain and adopting the VAC model for Value Chain support.



Gender, Youth and Nutrition

- Identification of poor households (8% of total beneficiary households) for exemption from payback.
- 228 youth trained in different trades.
- Employment opportunities for over 500 unemployed professional graduates/youth. (320 VACs staff, 160 technical consultants)
- 351 women in leadership positions.
- Training of over 6,000 farmers in nutrition and gender.
- 15 women specific VACs established.
- Capacity building of 755 SMT members including youth and women in planning, implementation, management of infrastructure projects.



OVERALL RESULTS

The program has significantly impacted over 90,000 beneficiary households through diverse interventions spanning seven years.

Brought over 42,000 Acres of New Land under Irrigation

Against an ambitious target of bringing 50,000 acres of additional land under irrigation, the programme achieved a milestone of 42,000 acres. As a result, each household experienced an average additional 1.5 acres, with an equitable share extended to 8.64% of poor beneficiary households.

Increased Productive Landholding

Infrastructure and Value Chain interventions supported farmers to expand their productivity lands impacting production and productivity of fields.

Enhanced Employment Opportunities

The programme has greatly contributed to the economic transformation of the region. Over 8.2 billion investment in regional economy through infrastructure and value chain development has short term and long run impact on regional economy. The community led implementation also enabled communities to take part in the construction activities enhanced employment opportunities for locally available skilled and unskilled labour and unemployed youth.

Contributed in Rural Economy

A substantial sum exceeding PKR 1 billion was directly injected into the rural economy through wages.

Improved Accessibility

Construction of FMRs facilitated easy access, transportation, connecting production areas with market and reducing costs, labor, and time, thereby augmenting agricultural income of rural farmers.

Reduced Cost and Work Burden

FMRs enabled farmers to introduce mechanized farming, impacting production and minimizing losses.

Extension Services and Handholding

Over 50,000 farmers received direct technical and financial support through various channels, resulting in a significant increase (44%) high-quality value-added products and decrease in production of low graded products particularly apricot.

Introduced Modern Agriculture Practices

Introduction of commercial vegetable production techniques (vertical farming) not only increased production with minimal land usage but also allowed farmers to grow green leafy vegetables in off-seasons, particularly winters.



Better Economic Returns

Farmers achieved an average earning of PKR 120,000 from a single crop of cucumber and tomato using vertical farming techniques. Additionally, this technique enabled communities to grow tomatoes and cucumber in high-altitude areas of GB where it was not considered as viable due to unfavorable weather conditions.

Empowered Women

The program successfully enhanced women's participation in productive labor and leadership roles, with 29% of beneficiary farmers in VACs being women. Furthermore, 15 VACs are now women-owned, led, and managed cooperatives.

Youth Engagement

Cooperatives provided opportunities for 320 professional graduates (2 in each VAC) to contribute expertise in management, implementation, and marketing support. Moreover, 27% membership in VACs represents youth.

Private Sector Collaboration

VACs established linkages and partnerships with private sector entities, particularly agri-based national and international corporations, for the production and supply of various agricultural commodities.

Supported in Policy Decisions

Landmark decisions by the Government of GB, including a land titling policy to provide legal titles to beneficiary farmers and the transfer of FMRs to the GB Works Department for future operations and maintenance, have further strengthened the program's impact.

Financial Progress as end of September 2022

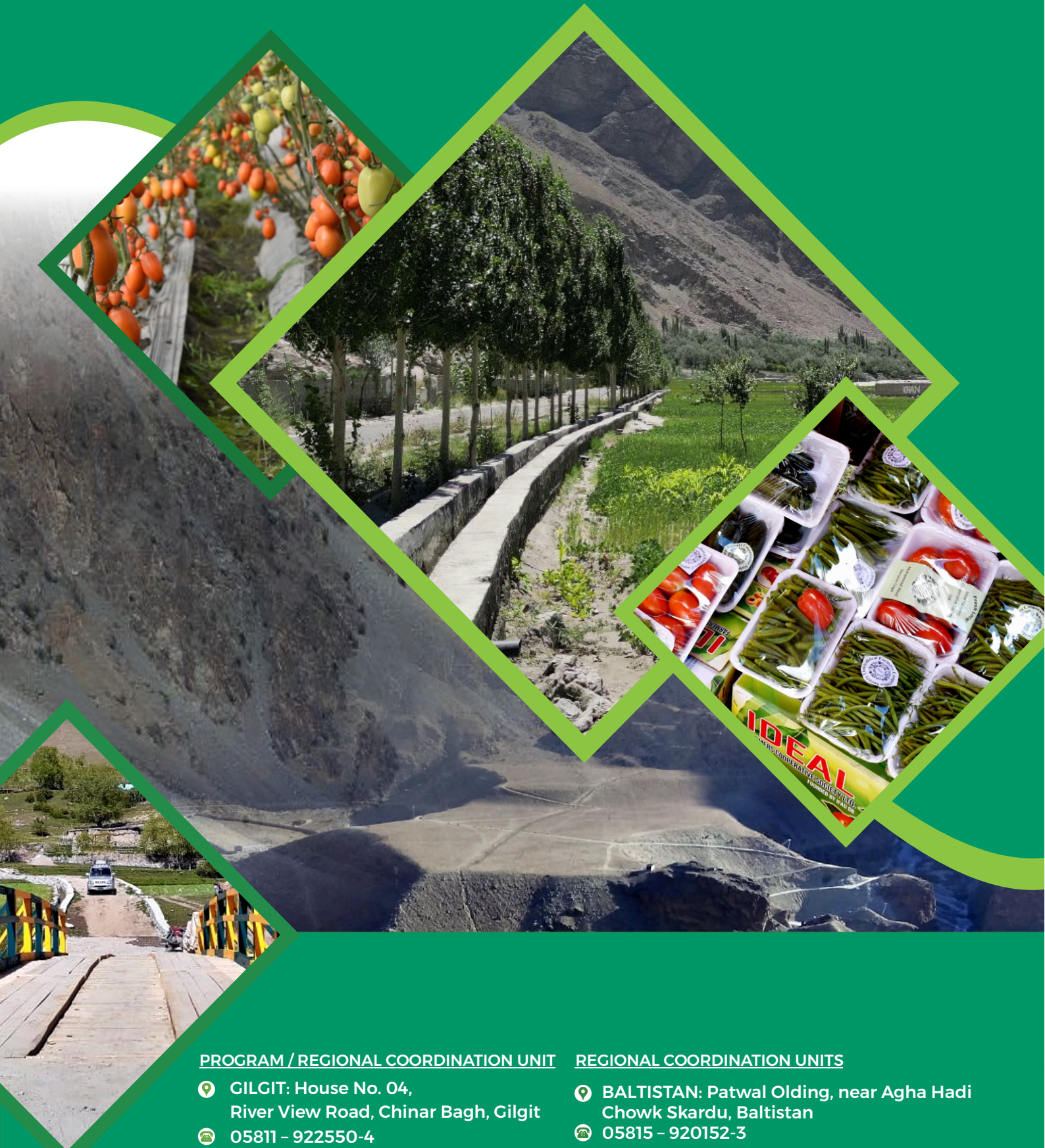
	Programme Sub-components	(PKR- Million)		
		IFAD	Govt	Total
1.1	Irrigation Development	2,349.11	299.80	2,648.91
1.2	Farm to Market Roads	1,434.34	162.00	1,596.34
2.1	Value Chain Support Fund and Technical Assistance	2,135.21	132.00	2,267.21
2.2	Social Mobilization	205.01	116.70	321.71
2.3	Agriculture Extension	148.38	72.10	220.48
2.4	Agriculture Research	93.34	19.00	112.34
2.5	Land Titling System, Provincial Land Commissioner	1.99	1.00	2.99
3	Programme Coordination Unit	697.05	350.80	1,047.85
	Total	7,064.43	1,153.40	8,217.83





**ECONOMIC TRANSFORMATION INITIATIVE, GILGIT-BALTISTAN
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