

The Multi Donor Trust Fund (MDTF)



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



©World Bank-Pakistan

The Rationale

The Multi Donor Trust Fund (MDTF), a mechanism to mobilise funds, was launched in 2010 by the World Bank on the Government of Pakistan's request to support reconstruction, rehabilitation and development in the Federally Administered Tribal Areas (FATA), Khyber Pakhtunkhwa (KP) and Balochistan. These three regions are adversely affected by extreme poverty, weak governance, frequent natural disasters, sectarian violence and poor socio-economic conditions, particularly impacting women, youth and religious minorities. Furthermore, militancy and the resulting military operations by the government to curb extremism have led to a large number of casualties, significant damage to physical infrastructure and basic services, and displacement of more than three million people.

Initially, the MDTF was a pool of 13 donors Australia, Denmark, European Union, Finland, Germany, Italy, Norway, Sweden, Netherland, United States (US), Switzerland, Turkey and United Kingdom (UK) contributing USD 227.34 million, allocated to 11 multi-sectoral projects. With the withdrawal of the US from the second phase, the number of donors is now reduced to 12. The Fund allows the participating donors to adopt harmonized and coordinated positions on different issues. So far, 33% and 55% of funding has been allocated to FATA and KP respectively, while 12% went to Balochistan.

The Swiss Role

Switzerland joined the second phase of MDTF in 2015 considering that it is the best available coordination mechanism between the government and the donor community in Pakistan, is strongly owned by the government, and is in line with SDC's programme in Pakistan. Switzerland is seen as a credible development and humanitarian partner in the border region, where much of the international assistance is hindered by accessibility issues. The MDTF allows the SDC to have a comparative advantage with respect to promoting policy reforms aimed at reducing socio-economic marginalization of the population in border regions.

The MDTF has high relevance in SDC's intervention areas and fits with its goal of "preventing and overcoming crises, conflicts and catastrophes" in fragile states. Through this platform, the SDC will continue to engage in a more systematic incorporation of gender and Conflict Sensitive Programme Management principles in MDTF sponsored projects.

The projects financed by the MDTF aim that:

- Government departments and agencies have enhanced capacity for sustainable and accountable delivery of basic services to the people in KP, FATA and Balochistan.
- Government departments support peace building and reconstruction activities, and promote rapid crisis recovery in target areas.



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

- The communities, especially women, youth and religious minorities have better access to assets and market and income generating opportunities.
- The private sector is provided conducive environment for growth.



©World Bank-Pakistan

The Working Pattern

The MDTF is governed by a Steering Committee (SC), which consists of government representatives (federal, provincial and FATA), the contributing donors, the World Bank, and an observer group comprising representatives of the Asian Development Bank (ADB), the United Nations (UN) and the Islamic Development Bank. The SC serves as a forum for discussion of MDTF policies and outcomes, and approval of MDTF financing strategy and other specific matters of strategic nature. It is co-chaired by the Government of Pakistan Economic Affairs Division (EAD) and the World Bank (as administrator). The Fund acts collectively and makes decisions by consensus.

SDC Budget: CHF 9 million
Time Frame: 3 years
Dates: Oct 2015 – Sep 2018

In addition, an Advisory Committee (AC) provides a forum to discuss issues of common interest and to act as an advisory group to the SC on issues related to the MDTF Engagement Strategy. The AC is chaired and co-chaired by one of the provincial governments and one of the donors on periodic rotation. In 2017, the SDC secured the position of co-chair.

Project Partners:

- World Bank
- Federal, provincial and local governments.
- Donor community

The MDTF is a platform for SDC to engage the government in dialogue, and to push for reforms in water and governance related policies in KP and FATA, in collaboration with other donors, with the overarching goal of putting poor people at the centre of service provision by enabling them to monitor service providers.

Further information

Embassy of Switzerland
Swiss Cooperation Office in Pakistan
House 3, Street 3, F 6/3, Islamabad
Phone: +92 51 2077 900
Fax: +92 51 2824 872
E-mail: islamabad@eda.admin.ch
Web info: <https://www.fdfa.admin.ch/pakistan>
<https://www.facebook.com/SwitzerlandinPakistan/>
