

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PRM

TA No., Country and Name			Amount Approved: \$ 143,000	
TA 4277-PAK: Support for Poverty Reduction Initiatives in Pakistan			Revised Amount: \$ 243,000	
Executing Agency{ies} PRM		Source of Funding NPRS/PRF Cooperation Fund, TASF	Amount Undisbursed: \$43,760.80	Amount Utilized: \$199,239.20
TA Approval Date: 18 December 2003	TA Signing Date: 18 December 2003	Fielding of First Consultant{s): June 2004	TA Completion Date Original: 31 January 2006 Actual: 31 January 2007 Account Closing Date Original: 31 January 2006 Actual: 31 October 2007	
<p>Description In response to the challenge of increasing poverty the Government of Pakistan prepared a poverty reduction strategy (PRSP) in 2003 supported by provincial poverty reduction strategies. The principal pillars articulated in the strategy, accelerating growth and maintaining macroeconomic stability, investing in human capital, targeted poverty interventions, strengthening of social safety nets programs to reduce vulnerability, and improved governance were congruent to ADB's Country Strategy and Program (CSP) for Pakistan in 2002-06. The Government requested ADB for technical assistance to assist in the monitoring of PRSP implementation. As part of ADB's initiative to enhance capacity to monitor and address poverty in developing member countries (DMCs), the TA was approved with the goal to strengthen the capacity of the Government, in particular of the PRSP Secretariat in monitoring and implementing the PRSP strategy.</p> <p>Expected Impact, Outcome and Outputs The TA envisaged the following outputs: (i) effective coordination between the federal and provincial governments and between district governments in different provinces for monitoring and implementation of PRSP and poverty trends; (ii) strengthened capacity of the PRSP Secretariat in monitoring and implementation of the PRSP; (iii) establishing a database of relevant studies and data on poverty and building links with public and private sector research institutions; (iv) preparing relevant studies on topical poverty issues; and (v) assessment of progress achieved on the Millennium Development Goals (MDGs) and regarding the agreed indicators under the PPA (Poverty Reduction Partnership Agreement).</p> <p>In response to a request from the Ministry of Finance for assistance in preparation of PRSP II (2006-09), a major change in scope was effected in December 2005 and the TA Components were adjusted to achieve the following additional outputs: (i) evaluation of PRSP I achievements; (ii) an expenditure management assessment; (iii) recommendations for improvement in monitoring and evaluation of PRSP-I; (iv) capacity building of the PRSP Secretariat in poverty analysis and monitoring and evaluation; (v) extending and operationalizing the system developed at federal and province/district level for tracking PRSP performance; and (vi) developing modalities for the alignment of the PRSP with MDGs.</p> <p>PRM was the EA for the TA with the federal PRSP Secretariat, Ministry of Finance as the primary counterpart. TA objectives were relevant to the specific needs of the client. Additional outputs under the expanded scope were also in line with TA's main objectives and fell under the TA design and implementation framework. The expected impact of the TA was to have an improved analysis and policy dialogue on poverty in Pakistan, effective monitoring of PRSP targets, and an enhanced poverty focus of development interventions.</p> <p>Delivery of Inputs and Conduct of Activities The TA implementation started in June 2004 when the poverty reduction specialist, the main consultant under the TA, was engaged to provide technical support to the PRSP Secretariat for monitoring progress on the PRSP implementation and for providing assistance in preparation of quarterly and annual PRSP reports. A minor change in TA scope was affected in December 2004 to provide support to the Pakistan Development Forum (PDF) held in March 2005. As per major revision in the TA scope to provide assistance for PRSP-II, the TORs for the poverty specialist were adjusted to incorporate additional work and a data analyst was engaged. A socio-economic researcher was also engaged through a minor change in implementation arrangements in March 2006 to provide assistance for the activities under the TA. In order to enable the completion of additional tasks and objectives, the TA completion date was extended from 31 January 2006 to 31 January 2007. The PRSP Secretariat suggested having one major national workshop with adequate representation from the provinces and districts instead of individual workshops at the provincial level. TORs were prepared for the additional studies identified and consultants were engaged. These included one study on Adult Literacy Initiatives in Pakistan and second on Poverty Targeting Strategy in Pakistan. Selected TA studies along with the PRSP Progress Report 2005-06 were presented at the national workshop, organized jointly by ADB and the PRSP Secretariat to share the poverty related work produced under this TA and other related TAs. TA inputs comprised a total of 54.34 person months of consulting services.</p> <p>The PRSP Secretariat, the consultants' team leader, and PRM worked closely to achieve the specified objectives of the TA. The poverty reduction specialist made active contributions to the preparation of the monitoring reports and PRSP-II document by providing input and guidance to the PRSP staff. The quality of inputs from all the consultants was satisfactory.</p> <p>Evaluation of Outputs and Achievement of Outcome The TA output targets set in the TORs were achieved. Regular quarterly and annual reports on monitoring progress of the PRSP implementation were prepared. The reports had significant ownership by the Government and were disseminated on the website of the Ministry of Finance. Deemed good quality, the reports were extensively used by the Government as well as by development partners to track progress on PRSP targets. Initial data constraints, particularly with respect to the availability of intermediate/outcome indicators posed some difficulty in providing a comprehensive evaluation. This was overcome subsequently as data collection systems improved and when the</p>				

latest household survey data started to become available. A poverty database was developed and operationalized together with a database of research on poverty issues. Through this TA, ADB was able to provide a good link between various public and private research institutions. Research results were shared in various academic fora and proved to be useful for policy dialogue, particularly for the consultations on PRSP-II. It also helped ADB to provide significant contributions to the preparation of the Medium Term Development Framework (MTDF 2005-10) and the national MDG Report 2005. Various progress reports on the achievement of the Millennium Development Goals (MDGs) were prepared and updated using latest data available.

PDF 2005, supported under the TA, and attended by senior government officials, development partners, civil society and private sector was an opportunity for the Government to present its program of poverty reduction and economic growth under the PRSP approved in December 2003. The PDF also provided an excellent opportunity for ADB staff to interact with senior policy makers and other development partners to engage in substantive policy dialogue on poverty and other key issues.

Under the revised TA scope, a significant contribution was made towards preparation of the draft PRSP-II. A draft outline was prepared and finalized after extensive consultation with stakeholders, including provincial and federal governments and researchers. In addition, the team assisted in the preparation of chapters on the review of PRSP-I achievements as well as on recommendations for improved monitoring based on the gaps identified in the PRSP-I information system. Draft chapters prepared on the poverty situation in Pakistan and sector-based initiatives for poverty reduction analyzed the latest data on poverty and compiled information for sector-based strategies. The report prepared by the TA team on the alignment of PRSP indicators with MDG indicators was a significant contribution wherein underlying differences in the two sets of indicators were identified, rebasing of the PRSP targets using the latest survey data (2004-05) was carried out, and modalities for alignment were developed. An expenditure management assessment providing expenditure projections on 17 pro-poor sectors for the next 5 years was also prepared, which was included in the draft summary of the PRSP-II (released in April 2007). Based on strong recommendations of the TA and through PRM's consultations with federal and provincial ministries to expedite the development of monitoring systems at the provincial and district levels, the Government is in the process of devolving monitoring under the PRSP-II. The TA consultants' team built a good working relationship with the PRSP Secretariat and worked very closely with the small team of PRSP staff, which turned out to be an effective learning process for the latter and helped capacity building on poverty analysis and monitoring and evaluation.

Six research studies prepared under the TA on critical poverty related issues served as background material for the preparation of the PRSP-II document. Working papers on the assessment of existing poverty targeting initiatives and on a strategy for Pakistan were prepared in the context of the ongoing preparation of the social protection strategy for Pakistan (approved in July 2007). In addition, two background papers on poverty data and on the relationship between poverty, inequality, and economic growth were prepared. The latter built on the existing literature on the nature and causes of poverty at micro and macro-levels. The study on 'Demographic Transition, Education and Youth Unemployment' prepared under the TA brought to the fore the challenges and opportunities associated with the ongoing demographic transition in the country and suggested ways to capitalize on the opportunities by creating an enabling policy environment and efficient institutions. The 'demographic dividend' later also became one of the themes of the PRSP-II document. The research report on the impact of Adult Literacy Initiatives made a good comparative assessment of the achievements made under various literacy programs in public and private sectors and recommended ways of further improvement. Studies prepared under the TA have been widely quoted in the subsequent poverty research in the national context.

TA studies presented at the national poverty workshop were highly appreciated by policy makers with adequate representation from all provinces and selected districts, donors' community, academic institutions, and civil society organizations. Based on the workshop deliberations a set of recommendations was outlined to deal with the future challenges of poverty. A workshop report has been completed and will be shortly disseminated.

Overall Assessment and Rating The TA is rated successful in achieving the articulated objectives.

Major Lessons (i) Involvement of TA consultant in PRSP monitoring and evaluation, participation in poverty group meetings and discussions, and continuous assistance to the PRSP Secretariat for progress reports improved interaction with policy makers. ADB is now regularly consulted by the Government on poverty issues, MDGs and social protection. (ii) Several donors are working with the PRSP Secretariat. Donor's coordination in terms of sharing information about assistance programs with the Secretariat has helped avoiding duplication of efforts. (iii) The TA confirmed that an in-depth engagement on a regular basis and frequent contact is necessary to strengthen interaction and to contribute to strategy and policy development in key public institutions. (iv) In order to avoid the excessive dependence on the consultants, their support should be gradually reduced as staff capacity in the PRSP Secretariat is built to take over key analytical and research work.

Recommendations and Follow-Up Actions (i) The TA has laid a good basis for monitoring the implementation of PRSP. The momentum developed under the TA needs to be strengthened and consolidated by addressing various remaining challenges. This includes addressing data gaps and bringing consistency in various public sector data sources. Devolution of monitoring mechanism at provincial and district level needs to be accelerated under PRSP-II. Impact evaluation of poverty intervention, currently limited to few sectors, needs to be broadened. In this regard, ADB and other development partners could consider further support to strengthen the analytical underpinnings of PRSP-II.