

TECHNICAL ASSISTANCE COMPLETION REPORT¹

Division : CWEN

TA No., Country and Name TA 4720-PAK: Preparing the Bahawalpur Rural Development Project, Phase II			Amount Approved: US\$300,000 US\$180,000 (supplementary) Revised Amount: US\$480,000	
Executing Agency Planning and Development Department (PDD) of the Government of Punjab	Source of Funding Technical Assistance Fund (TASF)	Amount Undisbursed: US\$78,383	Amount Utilized: US\$401,618	
TA Approval Date: 8 December 2005	TA Signing Date: 2 February 2006	Fielding of First Consultants: 20 February 2006 (Recalled 21 February 2006 due to security concerns) Fielded 21 March 2006	TA Completion Date Original: 30 June 2006 Actual: 31 August 2007 Account Closing Date Original: 30 June 2006 Actual: 16 May 2008	
<p>Description. The three districts (Bahawalpur, Bahawalnagar, and Rahim Yar Khan) in southern Punjab comprise one of the least developed regions in Pakistan. Basic infrastructure is insufficient in the rural area where 78% of the 8.93 million population in the three districts live. Many development indicators of the area, such as literacy, road access, village electrification, telephone connections, and infant mortality, are poor by provincial standards. Skewed land distribution and lack of nonfarm employment opportunities also contribute to limited chances for landless and marginal farmers to exit from poverty. To address these issues, ADB financed the Bahawalpur Rural Development Project (BRDP) for \$38 million (Loan 1467-PAK, closed on 12 October 2007). The baseline survey carried out under the BRDP in 1999–2000 estimated that 54% of households in the project area fell below the poverty line. The percentage decreased over the project period to 49% in 2005, according to benefit monitoring and evaluation studies. A midterm impact study conducted in December 2001 noted the achievements of BRDP in reaching targets for physical outputs (length of rural roads, water courses improved, villages electrified, community groups established), and reported a high level of satisfaction amongst project beneficiaries. In spite of the achievements of BRDP, inadequate basic infrastructure remained a major constraint to economic growth and poverty reduction in the area. Because of this and following a strong request from local governments, the Government of Pakistan requested ADB to finance a follow-on project.</p>				
<p>Expected Impact, Outcome and Outputs. The output of the TA indicated in the Design and Monitoring Framework (DMF) was expected to be the design of a second phase of BRDP (BRDP II) of which the stated impact stated in the DMF was decreased poverty incidence in the project area, and outputs of improved basic infrastructure, expanded nonfarm income-generating activities, and active participation of women in social and economic activities.</p>				
<p>Delivery of Inputs and Conduct of Activities. The TA included 10 person-months of international and 5 person-months of national consultants over a 5 month period from January to June 2006. Consultants were individually recruited. The first consultants, including the Rural Development Specialist/Team Leader, were fielded on 20 February 2006 but immediately withdrawn (before reaching Bahawalpur) due to security concerns. They were mobilized on 20 March 2006. To accommodate the delay, following the recommendation of the ADB Inception Mission from 19-28 March 2006, the TA closing date was extended to 30 October 2006. Following the approval of a major change in scope on 25 September 2006, the TA closing date was extended to 31 May 2007. An additional 5 person-months of international and 5.5 person-months of national consultants over a period of 5-8 months and at an additional cost of \$180,000 financed from TASF was included. Different consultants with different expertise were recruited for the TA extension. To accommodate continued processing of BRDP II, the TA closing date was extended for a third time to 31 August 2007. The consultants engaged under the TA change in scope completed their assignment through participation in an ADB Reconnaissance Mission from 16 June to 17 July 2007. Overall, the performance of ADB and the EA was adequate and consistent with established procedures.</p>				
<p>Evaluation of Outputs and Achievement of Outcome. The TA produced an Evaluation Report covering BRDP on 8 May 2006, which was reviewed in a tripartite meeting between ADB TA Review Mission, PDD and the consultants on 11 May 2006. It was agreed that BRDP II should (i) focus more on poorer areas rather than disperse activities over a wide area, (ii) target mainly the poor population with minimum capacities and assets, while adopting a welfare</p>				

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approach for the poorest of the poor, (iii) expand community development activities, especially for women and unemployed youth, with links to existing government support and microfinance programs, (iv) retain the water course improvement component, (v) adopt more cost-effective designs for rural roads and pilot-test water course lining, and (vi) strengthen community participation in infrastructure design.

Individual consultants contributed to the consolidated reports produced under the TA. An Outline Report detailing preliminary BRDP II design and subproject selection criteria was submitted on 12 June 2006, following a stakeholder workshop on 29 May 2006. The tripartite meeting at the end of the ADB TA Review Mission from 14-17 June 2006, required the consultants to strengthen the justification for BRDP II, and elaborate project components, costs, implementation arrangements, etc. The resulting Draft Project Design Report was reviewed at the tripartite meeting at the end of the ADB TA Review Mission from 16-18 July 2006. Overall, it was felt that the proposed BRDP II did not differ significantly from BRDP and lacked innovative approaches. It was proposed to provide a small-scale technical assistance (SSTA) in order to extend the TA to review and re-design the project to (i) make it more market oriented and financially sustainable, (ii) investigate options to integrate small farmers and the landless into the mainstream economy, (iii) improve market linkages for farm and non-farm activities, and (iv) improve access to microfinance.

An ADB Review Mission from 19 February to 1 March 2007 in conjunction with PDD agreed with the proposed shift away from the infrastructure-driven approach of BRDP to a market-driven approach under BRDP II focusing on commodities in which the project area had a comparative advantage (cotton, horticulture, dairy and embroidery) as identified by the consultants under the TA extension. On completion of the Review Mission it was agreed that (i) ADB would seek Japan Fund for Poverty Reduction (JFPR) financing to be developed in tandem with BRDP II processing to (a) develop and implement a community-based planning process with local governments, and (b) pilot-test a community-based block grant that would promote more demand-driven approach to small-scale community activities, (ii) the PMO of BRDP would be retained until 31 March 2008 until the start of BRDP II to expedite project processing, and (iii) the closing date of the TA would be extended to 31 August 2007. Following reorganization within ADB in May 2006, a revised BRDP II concept paper was prepared with focus on one or two subsectors (cotton or dairy). It was also proposed that BRDP II should not include rural roads and electrification, which were outside the mandate of the new division (CWAE) responsible for the project. The ADB Reconnaissance Mission in June-July 2007 agreed with PDD that the subsector to be included in BRDP II should be dairy. BRDP II design was revised accordingly.

The TA achieved the outputs specified in the DMF of the TA paper in respect of the review of BRDP and the design of components and implementation arrangements for BRDP II. However, the evaluation of BRDP did not focus adequately on the poverty impact of BRDP or the causes of poverty, and the initial design of BRDP II basically replicated BRDP and lacked any innovative components or outputs. Guided by both ADB and PDD under the TA extension a more market-oriented approach was adopted. Both institutions appeared satisfied with the resulting project design. However, following the preparation of the revised concept paper and a re-orientation of the project within ADB, the design proposed by the TA was largely abandoned.

Overall Assessment and Rating. The TA is considered to be unsuccessful. The original TA produced a design for BRDP II that was not significantly different. Its focus on infrastructure development did not address the principal causes of low growth, in particular improving farmers' and rural enterprises' access to markets. Only after further reviews by ADB missions and PDD, which led to a re-orientation towards a more market-driven, more sustainable approach to project area development rather than the grant-based, infrastructure-focused approach under BRDP was a more innovative approach to BRDP II considered by the TA. This was elaborated under the TA extension, which may be regarded as having more successfully met the outputs of the DMF, and met with approval of ADB and PDD.

Major Lessons. The preparation of BRDP II was too early. Insufficient time had been allowed for BRDP's interventions to demonstrate their effectiveness and significant impact. As a result, the TA consultants had little basis for revising the scope of BRDP II. In this context, the TA paper guided the TA consultants to replicate BRDP by stating the types of interventions that BRDP II would include. The TA paper should have been less prescriptive in this respect, though the scope of BRDP II received the support of both ADB and the EA in the early stages of the TA.

The eventual abandoning of BRDP II resulted in considerable disappointment and frustration within BRDP project management staff who felt that BRDP had been successful (at least in meeting physical targets), and who had fully supported the preparation of BRDP II. This was exacerbated by the apparent failure of ADB to inform the EA and project management of the reasons for the decision not to proceed.

Recommendations and Follow-Up Actions. None.