



Technical Assistance Report

Project Number: 39577
December 2005

Technical Assistance Islamic Republic of Pakistan: Preparing the Bahawalpur Rural Development Project, Phase II

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 31 October 2005)

Currency Unit	–	Pakistan rupee/s (PRe/PRs)
PRe1.00	=	\$0.0168
\$1.00	=	PRs59.70

ABBREVIATIONS

ADB	–	Asian Development Bank
BRDP	–	Bahawalpur Rural Development Project
BRDP II	–	Bahawalpur Rural Development Project, Phase II
CSP	–	country strategy and program
EARP	–	environmental assessment and review procedures
EIRR	–	economic internal rate of return
IEE	–	initial environmental examination
M&E	–	monitoring and evaluation
NGO	–	nongovernment organization
P&DD	–	Planning and Development Department
PDR	–	project design report
PMU	–	project management unit
TA	–	technical assistance
TOR	–	terms of reference

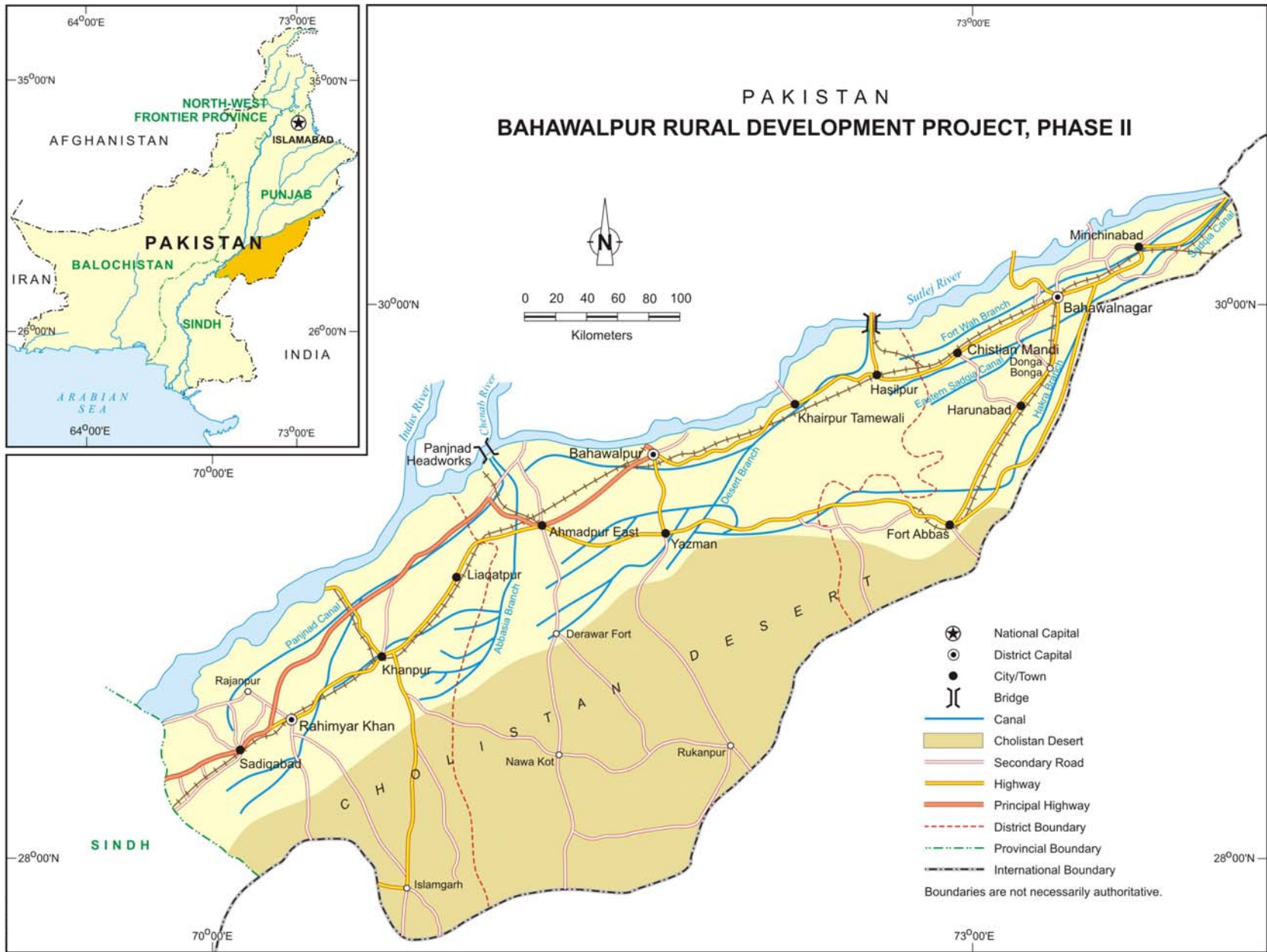
TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	Targeted intervention
Sectors	–	Multisector (agriculture and natural resources, transport and communications, energy, industry and trade, education)
Subsectors	–	Integrated rural development (livestock, roads and highways, transmission and distribution, small- and medium-scale enterprises, nonformal education)
Themes	–	Sustainable economic growth, inclusive social development, and gender and development
Subthemes	–	Developing rural areas, fostering physical infrastructure development, and human development

NOTE

In this report, "\$" refers to US dollars.

Vice President	L. Jin, Operations Group 1
Director General	K. Senga, South Asia Department (SARD)
Director	F. Roche, Agriculture, Environment, and Natural Resources Division, SARD
Team leader	T. Matsuo, Principal Project Specialist, SARD



I. INTRODUCTION

1. The Government of Pakistan has requested an Asian Development Bank (ADB) loan for a second phase of the ongoing Bahawalpur Rural Development Project (BRDP).¹ The proposed loan is included in the 2007 loan program in the Country Strategy and Program (CSP) Update for Pakistan 2006–2008. The provincial government of Punjab has initiated preparatory works for a second-phase project in early 2005 and is carrying out its own feasibility study. To support the Punjab government in preparing the loan project, ADB Management cleared a concept paper for a project preparatory technical assistance (TA) in September 2005.² ADB conducted the Fact-Finding Mission during 10–18 October 2005 to consult with the concerned provincial departments, local government authorities, local nongovernment organizations (NGOs), and BRDP beneficiaries. The Mission elaborated goals, impacts, outcomes, scope, implementation arrangements, cost, financing arrangements, and terms of reference of the TA, based on consultations, which were agreed to with the Government. The TA design and monitoring framework is in Appendix 1.

II. ISSUES

2. The former Bahawalpur Division³ consisting of three districts (Bahawalpur, Bahawalnagar, and Rahim Yar Khan) in southern Punjab is 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 rate, are poor by provincial norms.⁴ The region constitutes the cotton-wheat zone, which has the highest poverty incidence, estimated at 56% in 2002, among the agroclimatic zones of Pakistan.⁵ Bahawalpur and Rahim Yar Khan are categorized as “high deprivation districts” and Bahawalnagar is categorized as a “medium deprivation district” in the Punjab Poverty Reduction Strategy Paper, October 2003.⁶ 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 has decreased over the project period to 49% in 2005, as estimated by the benefit monitoring and evaluation (M&E) studies. Inadequate basic infrastructure is a major constraint to economic growth and poverty reduction in the area. Skewed land distribution in the cotton-wheat zone and lack of nonfarm employment opportunities also contribute to limited chances for landless and marginal farmers to exit from poverty.

3. The ongoing BRDP has been addressing lack of rural infrastructure (roads, irrigation, electrification) and promoting social mobilization for community-based development in this poor area. In total, 600 kilometers (km) of rural roads will be improved (492 km has been completed to date), 475 villages will be electrified (391 to date), 684 watercourses have been improved, and 560 community organizations, including 192 women’s organizations, have been mobilized

¹ ADB. 1996. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Bahawalpur Rural Development Project*. Manila (Loan 1467-PAK, approved on 26 September 1996, for \$38 million, and to be closed on 30 June 2006).

² The TA first appeared in *ADB Business Opportunities* (internet edition) on 12 September 2005.

³ Former administrative unit of the division was abolished in August 2001 under Local Government Ordinance 2001.

⁴ According to 2003–2004 statistics, rural literacy rate in the project area is 31% compared with the provincial rate of 45% (hereinafter, provincial rates are given in parentheses), primary education enrollment rate is 73% (93%) for male and 59% (83%) for female, length of rural roads per 1,000 square kilometers is 130 kilometers (236 kilometers), village electrification rate is 69% (80%), village telephone connection rate is 13% (25%).

⁵ ADB. 2005. *Agricultural Growth and Rural Poverty: A Review of the Evidence*. Pakistan Resident Mission Paper Series. Working paper no. 2. Islamabad.

⁶ Planning and Development Board, Government of Punjab. 2003. *Punjab Poverty Reduction Strategy Paper*. Lahore.

for income-generating activities or infrastructure construction and operation. The BRDP has been implemented successfully, except for start-up delays in the initial 3 years until 1999. The M&E surveys estimate that about 1.2 million people have benefited from the BRDP through improved infrastructure and community-based income-generating activities. In particular, women's community activities have made significant changes in the attitude of women in this conservative rural area, involving poor women in training, nonformal education, and income-generating activities. It is reported that some women's community organizations expanded their activities on their own initiative, and organized NGOs to help other groups. The BRDP interventions are highly regarded among the target people and local governments on account of the participatory approach, efficient implementation, and effective outcomes.

4. The midterm impact study carried out in December 2001 reported quantitative impacts. On average, (i) 425 people directly benefited from each kilometer of rural road rehabilitation; (ii) 117 people directly benefited and 1,102 people indirectly benefited from each subproject for small-scale infrastructure, with incremental annual income of PRs3,234 (\$55.7) per household and an economic internal rate of return of 18% for each investment; (iii) 49 households per village were newly connected to the power supply, which contributed to incremental financial assets of about PRs1,000 (\$16.7) per household as a result of increased income opportunities; and (iv) 293 people benefited from the improvement of each watercourse, with annual incremental income of PRs1,857 (\$31.1) per household. The study also carried out a participatory assessment of qualitative impacts of the four components and showed that the beneficiaries recognized significant or highly significant positive impacts on their livelihood activities.

5. The experience and lessons from BRDP implementation show that (i) adequate preparation of the project implementation arrangements and full support of the provincial, district, and subdistrict (*tehsil*) governments are essential for timely implementation of project activities; (ii) although the selection criteria for subprojects that require at least two thirds of beneficiaries to be below the poverty line were generally adequate in reaching poor people, focusing more on poverty-stricken pockets in the area will improve effectiveness; (iii) provision of core infrastructure (roads and electrification) can effectively benefit the targeted poor population; and (iv) due to the vastness of the project area (45,588 km²) and rural population (6.97 million in 2004), the impacts of BRDP on the regional macroeconomy are less visible, leaving a large scope for further development activities. The dispersed BRDP activities over the large area were caused mainly by considering a balanced distribution of subprojects among 14 subdistricts in the project area. As a result, despite the BRDP interventions, the project area remains backward in terms of development indicators and density of infrastructure, compared with provincial averages.

6. Because of the achievements of the ongoing BRDP, the existence of vast remaining undeveloped rural areas, and strong requests from local governments, the Government requested ADB to provide further assistance to finance a follow-on phase II project. The proposed project is consistent with ADB's current CSP for 2002–2006 that supports sustainable pro-poor growth for rural development and employment generation as one of the three specific intervention areas. The CSP Update for 2006–2008 approved in September 2005 also emphasizes lending for infrastructure development.

7. The Government is strongly committed to poverty reduction, focusing on the poor and providing them with increased economic opportunities and greater access to physical and social

assets as expressed in its poverty reduction strategy,⁷ as well as in the partnership agreement with ADB.⁸ The provincial poverty reduction strategy assigns priority to addressing rural poverty through higher financial allocations, improving physical infrastructure and access to physical assets, and balanced regional development. The proposed project, therefore, is consistent with the poverty reduction strategies of the federal and provincial governments, as well as that of ADB.

8. Apart from the nationwide poverty reduction programs, such as the Kushal Pakistan Program, Pakistan Poverty Alleviation Fund, and Civil Community Board, there exists no specific project or program on the scale of the BRDP in the project area. Rural infrastructure is being provided by the ADB-financed Punjab Community Water Supply and Sanitation Sector Project⁹ and the Government-funded National Program for Improvement of Watercourses. Only a few rural roads in the project area are being improved or will be improved under the Punjab Road Sector Development Project.¹⁰ Delivery of local government services is being supported through a series of ADB program loans that support, among others, decentralization of the administration system.¹¹

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

9. The ensuing Bahawalpur Rural Development Project, Phase II (BRDP II) will reduce poverty by providing backward rural areas with basic infrastructure, such as roads and electricity and promoting community-based social and economic activities. The TA will help the provincial government of Punjab prepare a project design report for BRDP II that contains the rationale, scope, cost estimates and financing plan, implementation arrangements, resettlement planning documents, and social and environmental assessments to ensure that the project is technically sound, economically viable, financially sustainable, and will comply with ADB's safeguard requirements. The project area will remain the same as that of the BRDP, covering the entire 14 subdistricts in the three districts comprising Bahawalnagar, Bahawalpur, and Rahim Yar Khan.

B. Methodology and Key Activities

10. The TA will build upon the provincial governments' feasibility study and will be implemented on the basis of extensive consultations undertaken with the rural population and the achievements realized under the BRDP. Under BRDP II, the project interventions will focus more on the most poverty-stricken pockets, rather than equally distribute activities over the project area. The design will also be consistent with the decentralized local government system, compared with the BRDP that was designed prior to devolution. Project preparation work under the TA will be guided by the following principles: (i) the focus is on addressing the key

⁷ *Poverty Reduction Strategy Paper*, December 2003, http://www.adb.org/Documents/Poverty/pa_pak.pdf

⁸ *Poverty Reduction Partnership Agreement between the Government of the Islamic Republic of Pakistan and the Asian Development Bank*, September 2002, <http://www.imf.org/external/pubs/ft/scr/2004/cr0424.pdf>

⁹ ADB. 2002. *Report and Recommendation of the President on a Proposed Loan to the Islamic Republic of Pakistan for the Punjab Community Water Supply and Sanitation Sector Project*. Manila

¹⁰ ADB. 2002. *Report and Recommendation of the President on a Proposed Loan to the Islamic Republic of Pakistan for the Punjab Road Sector Development Project*. Manila.

¹¹ ADB. 2002. *Report and Recommendation of the President on a Proposed Program and Technical Assistance Loans to the Islamic Republic of Pakistan for the Decentralization Support Program*. Manila; ADB. 2003. *Report and Recommendation of the President on a Proposed Program Cluster of Loans to the Islamic Republic of Pakistan for the Punjab Resource Management Program*. Manila; and ADB. 2004. *Report and Recommendation of the President on a Proposed Program and Technical Assistance Grant to the Islamic Republic of Pakistan for the Punjab Devolved Social Services Program*. Manila.

constraints that hinder improvement of livelihood activities among the rural poor, rather than on piecemeal activities in many different sectors; (ii) the project design will reflect the region-specific social, economic, and political environment, rather than simply copy models adopted in rural development projects in other regions; (iii) given the skewed distribution of land in the project area and the slow progress in land reform, rural poverty reduction will be sought by supporting nonfarm income-generating activities; (iv) the ensuing project will focus on creating an environment that would make the activities and facilities sustainable with economic incentives and routine support from the local government; (v) the implementation problems encountered during the BRDP, such as the significant delay in start-up activities and unsatisfactory performance of some contractors, will be duly assessed and lessons learned will be reflected in the project design; (vi) BRDP II will coordinate and collaborate with ongoing poverty reduction programs, and activities of NGOs; (vii) M&E systems will be established in a simple manner at the early stage of the project so that longer term monitoring would be possible at minimum cost; and (viii) continuation of the existing BRDP's management system for BRDP II.

11. The TA will focus on the envisioned BRDP II interventions, which will include three components: (i) improvement of core rural infrastructure, (ii) promotion of community-based economic and social activities and small-scale infrastructure development, and (iii) institutional strengthening. The first component will include improvement and upgrading of existing rural roads and village electrification.¹² The second component will include community mobilization, capacity building for enhancing skills, a nonformal literacy program for women, and provision of matching seed investment for income-generating activities, and small-scale infrastructure, such as brick pavement of short roads, and minor water supply and sewerage facilities. Women, landless tenants, and sharecroppers will be particular targets of this component. The third component will include project management, and capacity building of district authorities for planning, implementation, and operation and maintenance of rural infrastructure, and other services such as veterinary services. The scope of the ensuing project will be elaborated during the TA. The subproject selection criteria that have been applied to the BRDP will be reviewed for their relevance and effectiveness in addressing poverty reduction, and will be modified to meet the changing needs and environment. Appendix 2 gives the initial poverty and social analysis of BRDP II.

C. Cost and Financing

12. The total cost of the TA is estimated at \$375,000 equivalent. ADB will finance a total of \$300,000 equivalent. The TA will be financed on a grant basis by ADB's TA funding program. The Government will provide the remaining cost of \$75,000 equivalent. Detailed cost estimates are in Appendix 3. The Government has been informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

13. The TA will be implemented over 5 months, commencing in January 2006 and ending in June 2006. ADB will engage individual consultants in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the selection and engagement of domestic consultants. All procurement under the TA will follow ADB's *Guidelines for Procurement*. The TA will require 15.0 person-months of consulting services: 10.0 international and 5.0 domestic. The TA will be led by an international rural development specialist with

¹² Improvement of watercourses that was a component of the BRDP is being undertaken under the ongoing government-funded National Program for Improvement of Watercourses, and therefore, would not be considered under BRDP II.

experience in working for poverty-focused rural development projects in Pakistan and/or other South Asian countries. Two additional international consultants will provide inputs in the fields of sociology and resettlement, and economic analysis and project financial planning. Domestic consultants' expertise is required for an initial environmental examination, gender assessment, and financial management. The outline terms of reference for consulting services are in Appendix 4.

14. The Executing Agency for the TA will be the Planning and Development Department of the government of Punjab (P&DD). The responsibility for TA implementation will be delegated from P&DD to the project management unit (PMU) of the BRDP, which is under P&DD. The PMU will be responsible for coordinating with other departments of the provincial government and district governments, while coordination with the federal government will be made through P&DD. The PMU will provide necessary support to the TA consultants in performing their work, including office space, and access to information and project field sites. The project director of the BRDP will serve concurrently as project manager for the TA, and PMU staff will serve as counterpart staff who will work together with the consultants to implement the TA. The Government has agreed to (i) appoint one qualified staff as a full-time TA coordinator and supporting staff as required; (ii) provide transportation means within Bahawalpur town and for field work; (iii) provide office space within the PMU, utilities, furnishings, and communication facilities for the consultants; (iv) assist the consultants in collecting data and information needed to carry out their assignments, and in conducting consultation meetings and workshops; and (v) prepare rural road development and M&E plans that will constitute a part of the project design report (PDR). Equipment procured under the TA will be turned over to P&DD and will be utilized for implementing the ensuing project.

15. The TA will deliver (i) a work plan containing a list of work items, milestones, and their time frame within a week of the start of the services; (ii) an evaluation report of the BRDP that assesses relevance, efficacy, efficiency, and sustainability, and lessons learned and implications for the design of the follow-on project, within 1.5 months of the start of the study; (iii) an outline project design and subproject selection criteria report for each component, within 2.5 months of the study; (iv) a draft PDR containing the project rationale, design and monitoring framework, scope, implementation arrangements, operation and maintenance plan, resettlement planning documents, social and environmental assessments, and all other works undertaken under the TA, within 4 months of commencing the services; and (v) a final PDR, within 1 month after receiving Government and ADB comments on the draft report. The reports will be submitted to ADB, PMU, and P&DD in hard and soft copies. Following ADB's public communication policy, all reports will be disclosed to the public upon finalization. Where resettlement plans are prepared, they will be disclosed to affected persons in a form and language they can understand. Tripartite meetings between the Government, ADB, and the consultants will be held in Lahore following the submission of the work plan, outline project design and subproject selection criteria report, and draft PDR.

IV. THE PRESIDENT'S DECISION

16. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$300,000 on a grant basis to the Government of Pakistan for preparing the Bahawalpur Rural Development Project, Phase II, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact (Project) Decreased poverty incidence in the project area</p>	<p>Poverty head count in 2015 less than 40% (tentative) from 49% in 2005</p>	<p>Monitoring and evaluation surveys, and Pakistan integrated household survey</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • The Government persistently maintains its poverty reduction strategy. • Production and prices of cotton and wheat are stable. <p>Risk</p> <ul style="list-style-type: none"> • An unprecedented natural disaster, such as drought occurs.
<p>Outcome (Project)</p> <ol style="list-style-type: none"> 1. Improved basic infrastructures 2. Expanded nonfarm income-generating activities 3. Active participation of women in social and economic activities 	<p>Income level among beneficiaries up by 20% (tentative)</p> <p>10,000 women (tentative) actively participating in vocational training, nonformal education, and income-generating activities</p>	<p>Monitoring and evaluation surveys</p> <p>Monitoring and evaluation surveys</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • The improved road will be maintained adequately by district authorities. • MEPCO operates and maintains the power distribution system adequately. • Communities successfully improve marketability of their products. • Services of institutional micro- and small-finance providers will be extended to rural areas to help the community expand business and market. • District authorities can provide routine technical support to communities. <p>Risk</p> <ul style="list-style-type: none"> • Women's participation in project activities is disturbed by conservative parents and husbands.
<p>Outputs (TA)</p> <ol style="list-style-type: none"> 1. Assessment of the BRDP and identification of lessons learned 	<p>BRDP evaluation report</p>	<p>Reports submitted by consultants</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • PMU can provide necessary support and deliver committed outputs. • Consensus is reached

<p>2. Project component and subproject selection criteria</p> <p>3. Project implementation arrangements, financing plan, and monitoring and evaluation plan</p>	<p>Project design report</p> <p>Project design report</p>	<p>TA review missions</p> <p>Tripartite meetings</p>	<p>among all stakeholders.</p> <p>Risk</p> <ul style="list-style-type: none"> • Consultants fail to perform satisfactorily and deliver quality outputs
<p>Activities with Milestones</p> <ol style="list-style-type: none"> 1. Prepare a work plan containing a list of work items, milestones, and their time frame within 1 week of the start of the services. 2. Review the performance of the ongoing BRDP and identify lessons learned that will be reflected in the proposed project design within 1.5 months. 3. Based on lessons learned from the BRDP, assessment of the socioeconomic status of the area, and consultations with local government, local NGOs, and potential project participants, prepare an outline project design and subproject design criteria within 2.5 months. 4. Prepare a draft project design report containing the project rationale, design and monitoring framework, scope, implementation arrangements, operation and maintenance plan, resettlement framework and plan(s), social and environmental assessments, and all other works undertaken under the TA, within 4 months. 5. Finalize the project design report, incorporating comments received from the Government and ADB within 1 month after receiving comments. 			<p>Inputs</p> <ul style="list-style-type: none"> • ADB will finance \$300,000 to recruit 10 person-months of international consultant and 5 person-months of domestic consultant services. • The PMU will prepare road development and monitoring and evaluation plans. • The Government will provide support for the consultants valued at about \$75,000.

ADB = Asian Development Bank, BRDP = Bahawalpur Rural Development Project, MEPCO = Multan Electric Power Corporation, NGO = nongovernment organization, PMU = project management unit of the BRDP, TA = technical assistance.

INITIAL POVERTY AND SOCIAL ANALYSIS

A. Linkages to the Country Poverty Analysis

Is the sector identified as a national priority in country poverty analysis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Is the sector identified as a national priority in country poverty partnership agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Contribution of the sector or subsector to reduce poverty in Pakistan:</p> <p>The project area, consisting of three districts (Bahawalpur, Bahawalnagar, and Rahim Yar Khan) in southern Punjab, is one of the least developed regions in Pakistan with fewer investments made historically. Basic infrastructure was insufficient, particularly in the rural area where 78% of the 8.93 million population in the three districts live. Many socioeconomic indicators of the area, such as literacy ratio, road length per area, village electrification rate, telephone connection rate, rate of population with safe water supply, are below the provincial averages. The region constitutes the cotton-wheat zone, which has the highest poverty incidence, as high as 56%, among the agroclimatic zones in Pakistan (October 2003). The ongoing Bahawalpur Rural Development Project (BRDP) has been successfully addressing lack of rural infrastructure (roads, irrigation, electrification) and promoted social mobilization for community-based development in this poor area. The proposed project will not only continue the successful activities of the BRDP, but also further improve its effectiveness in addressing rural poverty by incorporating lessons from the BRDP.</p>			

B. Poverty Analysis

Targeting Classification: Targeted intervention

<p>What type of poverty analysis is needed?</p> <p>As the project covers the entire three districts, several previous studies and surveys provide information on poverty incidence and other socioeconomic information. Therefore, no specific poverty analysis is required in the technical assistance. In the course of identifying subprojects during implementation of the project, the beneficiaries' poverty status will be assessed through the rapid rural assessment method. Subprojects should have a poverty count of more than two thirds to be eligible for project financing.</p>
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C. Participation Process

<p>Is there a stakeholder analysis? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Due to the nature of the project where activities are yet to be identified at the design stage, it is not possible to specifically identify stakeholders. However, the rural population in the project area has been analyzed in existing surveys and studies, as well as under the ongoing BRDP.</p>
<p>Is there a participation strategy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>All project components will adopt a participatory process. Rural infrastructure and community activities will be identified by the participants and screened by the project, applying transparent selection criteria.</p>

D. Gender Development

<p>Strategy to maximize impacts on women:</p> <p>Women community activities under the BRDP included mobilization, vocational training, provision of seed funds for income-generating activities, and nonformal education for women and children. This component successfully attracted rural women and was sustainable due to its income-generating activities. This component will be expanded in the proposed project. Further assessment will be made by the consultant gender specialist.</p>
<p>Has an output been prepared? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

E. Social Safeguards and Other Social Risks

Item	Significant/ Not Significant/ None	Strategy to Address Issues	Plan Required
Resettlement	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	Strips of land will be acquired for the expanded width of rural roads. As entire communities are direct beneficiaries of improved roads, communities' agreement to voluntarily contribute land will be a criterion in selecting subprojects. A third-party verification system will be established for this. The consultant resettlement specialist will prepare a resettlement framework.	<input type="checkbox"/> Full <input type="checkbox"/> Short <input type="checkbox"/> None <input checked="" type="checkbox"/> Framework
Affordability	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None	Based on the BRDP experience, affordability is not an issue. Participants could successfully mobilize required contribution to the project activities and thus had a strong sense of ownership.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Labor	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None	Based on the BRDP experience, no adverse labor impacts are expected. The project will increase employment opportunities through its income-generating activities. Laborers hired for civil works are protected under national laws and the BRDP did not encounter any problem.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indigenous Peoples	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None	Based on the BRDP experience, the project area does not involve any issue related to indigenous peoples. There are varieties of tribal and caste groups, as is common in South Asia, but none of the groups will be adversely affected by the project. This observation will further be confirmed by the consultant sociologist.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Other Risks and/or Vulnerabilities	<input checked="" type="checkbox"/> Significant <input type="checkbox"/> Not significant <input type="checkbox"/> None	Sharecroppers and landless tenants are considered as vulnerable group in the project area. Although they will not be adversely affected by the project, to improve livelihood of this group is important for poverty alleviation in the project area. The TA will assess the situation of this group and explore measures to address the severity of this vulnerable group.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Total Cost
A. Asian Development Bank Financing (ADB)^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	170.00
ii. Domestic Consultants	45.00
b. International and Local Travel	27.00
c. Reports and Communications	2.00
d. Vehicle Rental ^b	5.00
2. Equipment ^c	8.00
3. Contingencies	43.00
Subtotal (A)	300.00
B. Government Financing	
1. Office Accommodation and Transportation ^d	35.00
2. Remuneration and Per Diem of Counterpart Staff	30.00
3. Workshops	6.00
4. Others	4.00
Subtotal (B)	75.00
Total	375.00

^a Financed by ADB's technical assistance funding program.^b One vehicle for 4 months, including fuel and drivers.^c Including computer sets.^d Including two 4-wheel drive vehicles that will be made available for mission use, whenever necessary.

Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Rural Development Specialist/Team Leader (international, 4.5 person-months)

1. The specific tasks of the expert are as follows:
 - (i) Review the design and implementation arrangements, and the existing monitoring and evaluation (M&E) reports of the ongoing Bahawalpur Rural Development Project (BRDP).
 - (ii) Discuss with the project management unit (PMU) of BRDP, district authorities, and other stakeholders the performance of the BRDP.
 - (iii) Carry out field visits to selected sites of BRDP activities and consult with users and participants of the subprojects, and get their feedback on BRDP activities.
 - (iv) Prepare an evaluation report on the BRDP that will adequately cover matters to be included in the Executing Agency's project completion report, and submit a copy to the Asian Development Bank (ADB) and PMU within 1.5 months of commencing consulting services.
 - (v) Review the relevance of the subproject selection criteria for each component, considering the devolution to local governments that took place in 2001.
 - (vi) Based on the review of the BRDP design and performance and consultations with stakeholders, review the relevance of the proposed components for the follow-on Bahawalpur Rural Development Project, Phase II (BRDP II), i.e., the core rural infrastructure (rural roads and village electrification), community-based economic and social activities (income generation, infrastructure, and women development), and institutional strengthening (project management and capacity building of district authorities).
 - (vii) Through consultation with the PMU and other relevant agencies, propose selection criteria for subprojects under each BRDP II component.
 - (viii) Identify other ongoing or planned projects and programs in rural infrastructure and community development in the project area, financed by ADB, other international assistance agencies, or the government. In identifying project components, consider coordinating with other projects and programs.
 - (ix) Conduct a series of consultation meetings with concerned local government officials, local nongovernment organizations (NGOs), and other stakeholders. Reflect feedback from these consultations in the project design, selection criteria, and implementation arrangements.
 - (x) Prepare an outline project design and subproject selection criteria report, and submit a copy to ADB and PMU within 2.5 months of commencing consulting services.
 - (xi) In consultation with the PMU, set targets for outputs of all components, such as number of subprojects, length of road to be improved, and number of beneficiaries.
 - (xii) Taking the monitoring reports of the BRDP into consideration, set the quantitative performance targets of outcomes of all components; such as increased traffic volume, employment, income, and others.
 - (xiii) Advise the PMU in estimating the project cost and financing plan from the identified activities and output targets. Use as basis for estimating the BRDP II cost PMU's information on the cost of ongoing activities under the BRDP.
 - (xiv) Guide the PMU in preparing its reports on the rural road development plan and benefit M&E plan that will constitute appendixes of the project design report (PDR). Advise on the subjects and contents to be covered in those reports.
 - (xv) Review the subprojects that the PMU will propose for implementation in the first 2 years of BRDP II, and determine if they satisfy the criteria.

- (xvi) Discuss the role of district authorities under BRDP II with the PMU and districts, considering the districts' capacity in planning and implementation, financial resources for operation and maintenance, and accountability. Based on the consultations and further review, propose implementation arrangements involving district authorities under BRDP II that will best guarantee appropriate identification, design, quick implementation, and sufficient quality of works.
- (xvii) Prepare a proposal for setting up and staffing a new PMU, including a design unit and district arms, district counterparts, and other necessary arrangements.
- (xviii) Identify the expertise and inputs of the consulting services required for implementing BRDP II, including appropriate size of the minihighway division and community mobilization unit that exists in the BRDP PMU.
- (xix) Review the existing procurement procedures under the BRDP and propose necessary revisions for BRDP II.
- (xx) Review the benefit monitoring plan that will be proposed by the monitoring unit of the PMU and assist in finalizing the plan. The evaluation will focus on the number of poor households that exit from poverty with sustainability.
- (xxi) As team leader, guide other experts in fulfilling their terms of reference (TOR). If necessary, revise their TOR in consultation with ADB and the PMU.
- (xxii) Review the progress of the initial environmental examination (IEE) and preparation of the resettlement framework, and advise the environment specialist and sociologist/resettlement specialist so that their outputs will be consistent with the proposed project design.
- (xxiii) Prepare a draft PDR (the report may be renamed) that will contain necessary information for the Government to prepare a project proforma document and for ADB to prepare a report and recommendation of the president.
- (xxiv) Review the comments on the draft PDR provided by ADB and the Government, and incorporate them into the final PDR.

B. Sociologist/Resettlement Specialist (international, 2.5 person-months)

2. The tasks of the expert are as follows:

- (i) Review the design and implementation arrangements, the existing M&E reports of the BRDP and discuss the performance of the BRDP with the PMU, district authorities, and other stakeholders.
- (ii) Carry out field visits to selected sites of BRDP activities and consult with users and subproject participants on impacts of BRDP activities on their social status.
- (iii) Assess the social impacts of each BRDP component, particularly on poor rural population, and write a brief assessment report of about 2–3 pages.
- (iv) Review existing studies on social status and poverty incidence in the project area, in consultation with the benefit M&E consultant in the PMU.
- (v) Review ongoing community development initiatives in the project area, and activities of Khushali Bank and other national and local NGOs. Recommend a potential association between these ongoing initiatives and proposed BRDP II activities.
- (vi) Assess the situation of sharecroppers and landless tenants in the project area, the extent and depth of their existence, socioeconomic situation, and status of debt bondage.
- (vii) Assess the extent to which the Punjab Tenant Act, its implementing regulations, and Land Revenue Legislation still reflect contemporary circumstances, and the extent to which they are properly implemented.
- (viii) Evaluate the access of sharecroppers and landless tenants to BRDP activities, and suggest measures to improve their access to BRDP II activities.

- (ix) Recommend a project concept of a possible complementary project that may be financed from the Japan Fund for Poverty Reduction to address specifically the severity of the sharecroppers and landless tenants' problem.
- (x) Review the proposed BRDP II activities and recommend modifications needed, if any, in view of the social concerns, including possible use of the services of the Rural Support Programme institutions for community mobilization.
- (xi) Provide inputs to the M&E plan in monitoring the effects of poverty reduction, focusing on a sustainable exit from poverty.
- (xii) Collect information on social issues related to resettlement in the newly settled area within the Project area, and assess if social problems, if any, may affect achievement of the objectives of BRDP II. In case there would be some implication for BRDP II, propose adequate measures to mitigate the social problems encountered by resettlers.
- (xiii) Assess the applicability of ADB's policy on indigenous people to BRDP II, taking the terms tribals and scheduled tribes into consideration. Write a note based on the assessment, and describe additional works that required to prepare an indigenous people's plan, in case the policy applies.
- (xiv) Prepare a poverty reduction and social strategy following the format in ADB's document template.
- (xv) In poverty analysis, refer to the Poverty Reduction Partnership Agreement between the Government of the Islamic Republic of Pakistan and the Asian Development Bank, September 2002,¹ and the Poverty Reduction Strategy Paper, December 2003.²
- (xvi) Review the proposed activities of BRDP II and identify those that may involve involuntary resettlement and land acquisition. Such activities would include rural road improvement, rural electrification, community-based infrastructure, and women development centers, for which required land was voluntarily donated by beneficiaries under the BRDP.
- (xvii) Pay particular attention to the 3-kilometer extension of the Ahmadpur East–Yazman main road to connect it to the national road at Ahmadpur East.³ Review the necessary land acquisition for this road, meet with landowners together with PMU staff, and determine if a resettlement plan is required under ADB's *Involuntary Resettlement Policy* (1995).
- (xviii) Identify the need for preparing a resettlement framework to comply with ADB's *Involuntary Resettlement Policy* (1995). If a framework is needed, prepare a framework that includes entitlement matrix, criteria and procedures for preparing a resettlement plan for each investment subproject.
- (xix) For voluntary land donation, propose a mechanism for third-party verification of the donation agreement, and identify NGOs that may take the third-party role as required under ADB's Operation Manual Section F2.
- (xx) Submit two reports on (a) social status and impact assessment, and (b) a resettlement framework, and if required resettlement plans for identified subprojects, which constitute appendixes of the PDR.

C. Project Economist (international, 3 person months)

3. The tasks of the expert are as follows:

- (i) Discuss with the team leader and the PMU on the identified project components and collect basic data for aggregating the project cost.

¹ Available: http://www.adb.org/Documents/Poverty/pa_pak.pdf

² Available: <http://www.imf.org/external/pubs/ft/scr/2004/cr0424.pdf>

³ Ahmadpur East–Yazman main road was improved under the BRDP, but it ends 3 kilometers before reaching the exiting national road at Ahmadpur East. An extension of this road to connect to the national road is proposed for BRDP II.

- (ii) Using the COSTAB software, consolidate the detailed cost estimates into estimates for the whole project. In preparing the financing plan, appropriate financing share of the ADB loan for each category of legal expenditure should be set in consultation with ADB.
- (iii) Review the ex ante economic analysis for the BRDP, including its methodologies and assumptions. Review the assessment of the benefits of BRDP components as reported in a series of monitoring reports. If necessary, visit the project site and collect needed information.
- (iv) Review the methods of calculating the economic internal rate of return (EIRR) for subprojects used in the BRDP for clearing a subproject for each component, and recommend a change, if necessary.
- (v) Taking the national and regional economic status into account, determine a standard conversion rate (or a shadow exchange rate factor), shadow wage rate, and other economic parameters that are needed for the economic analysis.
- (vi) Based on the identified components of BRDP II, estimate the economic benefits from each component. Estimate economic benefits based on the ex-post economic assessment of BRDP components. For community-based activities, refer to the performance of the major activity groups in the small scale infrastructure component.
- (vii) Estimate the EIRR for each component and the aggregated project. Carry out a sensitivity analysis for cases in which assumptions in the project design do not materialize.
- (viii) Carry out financial analysis for the typical income-generating community activities, referring to available data from the BRDP.
- (ix) Write two appendixes of the PDR for detailed cost estimates and economic analysis.
- (x) If necessary, advise the team leader and the PMU on project implementation arrangements, consultant requirements, monitoring plan, and implementation plan.

D. Environment Specialist (domestic, 2 person-months)

4. The tasks of the expert are as follows:

- (i) Review the IEE report for the BRDP and documents related to its implementation, and conduct a field trip to some sites of ongoing activities to assess the environmental impacts of the BRDP.
- (ii) Discuss with the PMU and other consultants the proposed activities under BRDP II.
- (iii) Collect, compile, and review relevant environmental data related to identified project activities from available sources and reconnaissance visits.
- (iv) Following ADB's *Environment Assessment Guidelines* 2003,⁴ prepare an IEE and summary IEE for selected representative subprojects that are likely to be included in BRDP II.
- (v) Include in the IEE environmental management and monitoring plans needed to mitigate potential environmental impacts, and their corresponding costs. Also determine whether or not an environmental impact assessment is needed.
- (vi) Prepare an environmental assessment and review procedures (EARP) framework for BRDP II, following ADB's *Environment Assessment Guidelines* (2003). The prototype content of the EARP is posted on the ADB website.⁵
- (vii) Include in the EARP framework criteria for selecting subprojects and describe the environmental clearance procedures that will be followed in approving subprojects. Also include cost estimates for undertaking the necessary environmental assessment

⁴ Available: http://www.adb.org/documents/Guidelines/Environmental_Assessment/default.asp

⁵ Available: http://adb.org/documents/Guidelines/Environmental_Assessment/Content_Format_Environmental_Assessment_Review_Procedures.pdf

requirements. Report these estimates in the EARP framework and also in the project's cost estimates.

- (viii) Discuss with district officials the existing environmental assessment and management system under district authorities with reference to the provincial and national environmental legislation and policies.
- (ix) Assess the existing system under district authorities and identify deficiencies, if any, in the light of the provincial and national environmental legislation and policies, as well as ADB's guidelines.
- (x) Recommend (a) necessary capacity-building measures that may be financed under BRDP II, and (b) an improved environmental management system for adoption by district authorities, which could be included in loan covenants for BRDP II.

E. Gender Specialist (domestic, 2 person-months)

5. The tasks of the expert are as follows:

- (i) Review existing literature related to the status of women in Pakistan and in the project area; summarize the status of women in the project area and identify prevailing constraints.
- (ii) Discuss with the PMU the procedures for mobilizing female communities, provision of training, identification of activities, and provision of support for community activities in the small-scale infrastructure component of the BRDP.
- (iii) Conduct field visits to women community organizations and women development centers organized under the BRDP.
- (iv) Assess the relevance, efficacy, efficiency, and sustainability of the approaches to women's development activities in the BRDP.
- (v) Assess the effectiveness of the BRDP women community activities in focusing on poor women, particularly landless tenants and sharecroppers.
- (vi) Assess the capacity of the PMU in mobilizing women community organizations, and propose an approach to be used in BRDP II for expanding the scope of the women's development subcomponent.
- (vii) Based on the above assessment, recommend an approach, activity plan and its targets, implementation procedures, and monitoring plan for women's development activities for BRDP II. In particular, suggest a measure to access poorer women.
- (viii) Write a report on gender development that will be an appendix of the PDR.

F. Financial Management Specialist (domestic, 1 person-month)

6. The tasks of the expert are as follows:

- (i) Review the financial management in implementing the BRDP.
- (ii) Assess the veracity of the financing plan.
- (iii) Assess the financial sustainability of each component, including the overall financial status of the Multan Electric Power Corporation that will manage power distribution to electrified villages.
- (iv) Complete a financial management assessment of the PMU.
- (v) Recommend measures to mitigate financial management and sustainability risk.
- (vi) Write a report on financial management.