Validation Report

Reference Number: PCV: PAK 2010-30
Program Number: 37135
Loan Number: 2107/2108(SF)
September 2010

Pakistan: Balochistan Resource Management Program

Independent Evaluation Department
Asian Development Bank
ABBREVIATIONS

ADB – Asian Development Bank
BPG – Balochistan provincial government
BRMP – Balochistan Resource Management Program
IWRM – integrated water resources management
PCR – program completion report
PMU – project management unit
PSDP – Public Sector Development Program
RRP – report and recommendation of the President
TA – technical assistance

NOTES

(i) In this report, “$” refers to US dollars.

Key Words
adb, asian development bank, balochistan resource management program, decentralization support, independent evaluation department, pakistan, program completion report validation, public sector management

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In preparing any evaluation report, or by making any designation of or reference to a particular territory or geographic area in this document, the Independent Evaluation Department does not intend to make any judgments as to the legal or other status of any territory or area.
### A. Basic Program Data

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### Program Officers:

- **Name:** J. Brommelhorster
- **Location:** Headquarters
- **From:** 2004
- **To:** 2007

### Validator:

- **B. Prakash**
- **R. Vasudevan**
- **Consultant**
- **Evaluation Specialist, IED1**
- **Director:** R. B. Adhikari, IED1

... = not available from PCR, ADB = Asian Development Bank, ADF = Asian Development Fund, IED1 = Independent Evaluation Division 1, L2107 = Loan 2107-PAK, L2108 = Loan 2108-PAK, OCR = ordinary capital resources, PAK = Pakistan, PCR = program completion report, SF = special fund.

- Excludes government counterpart funds as data was not available in PCR.
- Excludes TA loan 2109-PAK(SF), which has a separate PCR.
- On 18 December 2004, the Government of Balochistan informed ADB that all first tranche release conditions for Loan 2107-PAK had been satisfied and requested the release of the tranche before 25 December 2004. ADB declared Loan 2107-PAK effective on 23 December 2004.

### B. Program Description (summarized from the report and recommendation of the President [RRP])

1. **Rationale.** Despite many initiatives aimed at developing Balochistan's economic and social sectors, Balochistan's development remains below its potential and social indicators lag behind those of other provinces in Pakistan. The poverty incidence remains very high. The fiscal space available to the Balochistan provincial government (BPG) is extremely limited due to its heavy debt burden and untargeted wheat-related subsidies. At appraisal of the Balochistan Resource Management Program (BRMP), BPG had an unsustainable burden of debt, including PRs12 billion of cash development loans extended by the federal government, the bulk of which had interest rates of 14.5% per annum.

There was significant pressure on Balochistan from its growing population and civil society to undertake development programs, but under federal–provincial financial arrangements, Balochistan is dependent on federal transfers to fund such programs. Due to the shortage of funds, the throw

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-forward ² based on the cost estimates of the development schemes under implementation (PRs41 billion) was close to 10 years of actual expenditure. In addition, BPG did not maintain funded general provident fund and pension fund schemes; the contingent liabilities on both these accounts have not been fully determined, and have not been provided for. In brief, Balochistan's financial condition was tight and under severe stress. As a consequence, allocated expenditures did not adequately reflect medium-term policy priorities. Resources were inadequate to cover the growing needs for operation and maintenance, and the province was not in position to undertake poverty reduction or to increase the provision of public services such as education and health. Water resources were severely degraded and served to constrain economic growth in Balochistan. Transparency and accountability mechanisms needed to be improved, and access to justice remained inadequate. In summary, fiscal difficulties, combined with a lack of good governance, were diagnosed as central elements responsible for continuing low growth and increasing poverty within Balochistan.

(ii) Impact. The BRMP was expected to have a positive impact on poverty reduction by improving institutional processes. Policy reforms were identified to improve public services by creating fiscal space that would allow reprioritization of provincial expenditures and reforms in revenue generation and expenditure management. Specific and immediate impacts were related to fiscal restructuring and utilization of loan proceeds for debt restructuring, which was expected to generate PRs1 billion per annum in savings on debt servicing alone. In addition, a number of specific actions that directly targeted the poor included (a) creation of sustainable water resources management, (b) a pro-poor food subsidy policy, and (c) improved public services. Impacts on labor markets, prices, net public transfers, and access to public goods and services were expected to be positive in the long term. The BRMP was also expected to have a positive impact on gender by making BPG approval of the gender reform action plan a precondition for the loans.

The BRMP was also expected to have positive impacts on the environment by developing a strategy leading to sustainable water resources management, and developing a new tubewell policy. Measures were to be introduced to cap and phase out the tubewell subsidy by introducing an incentive system that encouraged sustainable water usage. No significant adverse impacts were directly associated with the program. The BRMP did not have any involuntary resettlement components or any impact on indigenous people.

(iii) Objectives or Expected Outcomes

(a) Reducing poverty. The BRMP’s overarching goal was to support BPG’s pro-poor development efforts by improving governance and public sector resource management. The BRMP sought to create sustainable fiscal space for BPG to finance the cost of structural adjustment, and to support high-priority social and human development programs by local governments targeted at the poor, while supporting increased participation of key stakeholders for transparent, accountable, and sustainable public service provision. Reforms of underlying systems and processes to manage public resources were deemed essential for reversing the increasing incidence of poverty. The BRMP, therefore, supported implementation of the Balochistan Poverty Reduction Strategy³ and strengthening of public policy formulation.

(b) Realign governance structures, systems, and procedures. The purpose and policy objectives of the BRMP were to help Balochistan reform governance structures, systems, and procedures to (a) provide fiscal space for sustainable and pro-poor development, and improve allocation and monitoring mechanisms for effective and transparent utilization of funds; and (b) create an enabling environment by supporting institutions dealing with effective public service delivery, sustainable water management, and private sector development.

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² The throw-forward is the excess of the cost of a development scheme over the current financial year’s allocation, and is one of the measures to analyze the sustainability of the development budget.
(c) **Program modality.** Like Pakistan’s other provinces, Balochistan needed to undertake wider and holistic reforms to make its policies sustainable and reduce its dependence on federal government transfers. Such reforms were to be sequenced over a long period. The BRMP was designed to trigger the reforms by linking multiple commitments under one umbrella. The BRMP was intended to set the policy path for other Asian Development Bank (ADB) investments, such as the Balochistan Devolved Social Services Program. Further, the BRMP aimed to strengthen ongoing reforms, most notably the Decentralization Support Program and the Access to Justice Program.

(d) **Program costs.** The total loan amount took into account the cost and strength of the structural reforms, as well as the medium-term fiscal projections and requirements to implement the proposed reforms. The costs of structural adjustment for the BRMP for 2005 and 2006 were estimated to be about PRs11,505 million or $201 million equivalent, comprising the following components (from high to low cost):

1. repaying short-term debt (including overdraft) (PRs2,600 million or 22.6% of the total cost);
2. accelerating completion of the core Public Sector Development Program (PSDP) (PRs2,100 million, 18.3%);
3. training, conducting research and development, and providing institutional support for water resource management (PRs1,280 million, 11.1%);
4. clearing pending contracted liabilities (PRs1,270 million, 11.0%);
5. funding local government (PRs1,210 million, 10.5%);
6. covering operation and management expenditures (including promoting efficient irrigation systems) (PRs995 million, 8.6%);
7. strengthening the Accountant General Office and district account offices (PRs800 million, 6.9%);
8. funding pension liabilities and capitalization of the provident fund (PRs800 million, 6.9%); and
9. accelerating mineral development projects in Balochistan (PRs450 million, 3.9%).

With $130 million in two loans, the BRMP was designed as a two-tranche program covering 2 fiscal years. During implementation, the BRMP was also expected to develop criteria that would lead to a second program. To support institutional development as well as implementation capacity for the reform program, a comprehensive technical assistance (TA) loan of $3.0 million was provided. It was supplemented by a TA grant from the Netherlands for $1.92 million. An ADB advisory TA grant for $400,000 supported capacity building for the implementation and sustainability of the reform agenda.

(iv) **Components and/or Outputs**

**Outputs.** Pursuing the two broad objectives mentioned earlier—i.e., enhanced provincial finances through fiscal restructuring and improved financial management, and enhanced processes and better institutions for public and private service delivery—the BRMP was structured to address the seven policy reform areas detailed below.

(a) **Rationalize poorly designed, untargeted subsidies.** Reduction in the budgetary allocation for untargeted subsidies (tubewells and wheat); Atta (wheat flour) subsidy to reach targeted beneficiaries.

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(b) **Broaden the tax base, expand coverage, and rationalize user charges.**
   (1) Revenues from property taxes to be received by the tehsil (subdistrict) municipal administration; and
   (2) increased provincial government revenues from taxes, fees, and royalties.

(c) **Establish reliable, transparent and accountable financial management systems.**
   (1) Seventy percent of 2004–2005 PSDP funding to existing schemes,
   (2) approved Finance Department (Treasury) human resource development plan implemented,
   (3) medium-term budget framework approved,
   (4) debt management strategy approved,
   (5) budget allocated in accordance with approved revised roads and irrigation operation and maintenance standards,
   (6) revised PSDP approved,
   (7) the functions of two district account offices performed effectively and efficiently,
   (8) the PSDP reflects civil society involvement,
   (9) annual Balochistan Development Forum conducted,
   (10) contingent liability study approved,
   (11) BPG procurement rules and manual approved,
   (12) approved provincial and local government asset control rules implemented,
   (13) provincial Finance Commission annual reports disseminated, and
   (14) Local Government Commission annual reports disseminated.

(d) **Establish and implement transparent, rule-based systems of local government funding.**
   (1) Provincial Finance Commission award consistent with local government expenditure assignments, in particular for non-salary recurrent and development budget requirements; and
   (2) local governments managing service delivery grant allocations in accordance with the Balochistan Local Governance Ordinance, 2001.

(e) **Improve administrative frameworks for effective public service delivery.**
   (1) Adequate budget allocation to implement approved gender reform action plan;
   (2) Public Service Commission operating in accordance with reformed rules of business;
   (3) BPG rules of business amended in keeping with the Balochistan Local Governance Ordinance, 2001;
   (4) local governments managing human resources in accordance with amended rules for appointments, postings, and transfers;
   (5) rules regarding contract-based employment implemented;
   (6) elected representatives performing functions effectively; and
   (7) district governments effectively and efficiently managing development schemes up to PRs10 million in accordance with approved administrative and financial powers.

(f) **Create enabling environment for private sector development and promote public–private partnerships in service delivery.**
   (1) Public–private partnership and private sector participation strategy approved, including definition of partnership;
   (2) approved public–private partnership and private sector participation action plan implemented;
   (3) restructured the Balochistan Health Foundation and eligibility criteria approved;
   (4) adequate budget allocated to the Balochistan Health Foundation; and
   (5) approved and implemented innovative contracting arrangements for private sector involvement in service delivery.

(g) **Improve management and sustainability of water resources.**
   (1) Non-functional water supply schemes being operated on a sustainable basis by communities or private the sector, in accordance with agreed terms and conditions;
   (2) Recommendations developed from the integrated water resources management (IWRM) policy working group;
C. Evaluation of Design and Implementation (program completion report [PCR] assessment and validation)

(i) **Relevance of design and formulation.** Although the proposed reforms under the BRMP may have been consistent with Pakistan’s and BPG’s development objectives and ADB’s country strategy, the program design was far too complex for the limited institutional capacity of BPG. The RRP acknowledged that the “outcomes are highly complex …” (RRP, para. 90). As described by an executive director during the Board consideration, the program agenda was daunting. The PCR also noted this and rated the formulation of design as partly relevant. The program does not seem to have taken into account the limited capacity of BPG. It stretched the government’s resources and required close coordination. In addition, the design of the project management unit (PMU) was deficient. As pointed out by the PCR, this created difficulties in the implementation of the program. Some agencies that had been included under the program as implementing agencies had no actions to deliver. Generally, there was a lack of clarity between the conditions and the legal covenants. These design deficiencies made the task of implementing the project even harder.

(ii) **Program outputs** (or conditions in the case of program loans). An overly large number of actions were expected to be completed, but there did not seem to be adequate emphasis on strict compliance. For example, compliance assessment for the release of the first tranche was lax in that it allowed disbursement based on actions that were to be done after the tranche release date. In addition, following first tranche release, two first tranche actions were revoked through contravening policy actions. These two reversals had to be closely monitored while the second tranche conditions were being undertaken. One reversal (on tube wells) was eventually substantially corrected, but the second reversal on property tax exemptions had to be revisited as a condition for the succeeding BRMP II.

These two initial shortfalls—i.e., unmet conditions of the first tranche that were to be completed after the tranche release, and the reversal of two conditions after the release of the first tranche—should have alerted ADB regarding the impending difficulties in implementing the BRMP. With continued engagement with the government, the outstanding first tranche conditions were complied with or substantially complied with by March 2007.

For the second tranche, there were 27 tranche conditions spread over seven policy reform areas. To meet these conditions, BPG was expected to complete 54 agreed actions. Of the 27 conditions, 17 were fully complied with, 5 were substantially complied with, and 4 were partially complied with. A waiver was sought for the remaining condition, related to the agriculture income tax due to the persisting drought conditions in Balochistan. Of the 54 agreed actions, a large number were not completed by the time second tranche was released. These included some very important actions—e.g., (a) the Atta subsidy, which focused on the poor, was not implemented; (b) maintenance of district health hospitals continued to deteriorate for want of adequate financial support; (c) the budget allocated to the gender reform action plan remained underutilized; (d) the Balochistan Development Forum had not been undertaken; (e) the performance grant system was not functioning fully due to lack of interest from district governments; and (f) IWRM was not implemented.

This validation finds that the design of the BRMP was too ambitious and complex for Balochistan’s capability and level of development. It could not have produced most of the expected outputs. There were far too many conditions, and they did not take into consideration the vested interests.

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affecting each action; this resulted in reversals and partial compliance. The conditions were also very complex in design and required several actions to be taken for full compliance. The entire program was too large and complicated, especially for a fledgling decentralized unit like Balochistan.

(iii) **Program cost, disbursements, borrower contribution, and conformance to schedule** (as relevant to program performance). The structural adjustment costs associated with the BRMP were estimated at $201 million. As mentioned above, ADB supported the program with two loans including a loan of ¥12,076,350,000 ($110 million equivalent) from ordinary capital resources (Loan 2107-PAK) and a loan of SDR13,580,000 ($20 million equivalent) from the Asian Development Fund (Loan 2108-PAK). The first tranche of Loan 2107-PAK in the amount of ¥7,136,025,000 was released on 24 December 2004, following loan effectiveness. The second tranche of ¥4,940,325,000 was released on 31 May 2007 after almost a year's delay from the original disbursement schedule of June 2006. The delay was due to the need for more dialogue between ADB and BPG on reversals in first tranche conditions and a lack of full compliance with several second tranche conditions.

Loan 2108-PAK was declared effective on 28 April 2005 due to the delayed approval and notification of the rules for the local services delivery grant, which was a condition for loan effectiveness. The loan was disbursed in two equal installments. The first tranche was released on 6 June 2005 and the second tranche was released on 31 May 2007. The closing date of both program loans was extended twice—to 30 April 2007 and, subsequently, to 31 May 2007—as requested by BPG to allow more time to fully comply with all second tranche release conditions. Loan 2107-PAK was closed in 31 May 2007 and Loan 2108-PAK in 21 June 2007.

(iv) **Implementation arrangements, conditions and covenants, related technical assistance, and procurement and consultant performance.** BPG was responsible for program implementation, financing, and maintenance of the PMU for the BRMP through a program agreement entered between BPG and ADB. The Finance Department was the executing agency for the BRMP, but because of the program's wide coverage there were 14 implementing agencies. As noted in the PCR, the large number of implementing agencies underscored the need for an effective implementation mechanism. In addition, the Decentralization Support Program was being implemented in Balochistan. In response to these two factors, a joint implementation mechanism was created with a common PMU for both the BRMP and the Decentralization Support Program. However, this arrangement proved to be counterproductive during the implementation period as the PMU was unable to undertake the multi-tasking arrangements required. The PCR acknowledges that the oversight arrangements were sub-optimal.

As noted above in (ii), while many actions were expected to be completed, there did not appear to be an adequate emphasis on strict compliance. The PCR notes that the BRMP was designed using nested tranche conditions, whereby the release of a tranche is contingent on attaining achievement targets, and progress is evaluated on the basis of implementation of agreed actions. This validation concludes that there were far too many conditions, and they did not take into consideration the vested interests affecting each action, which resulted in reversals and partial compliance. The conditions were also very complex in design and required several actions to be taken for full compliance.

The BRMP was supplemented by a TA loan (Supporting Public Resource Management Reforms in Balochistan) and two TA grants (Strengthening Program Implementation in Pakistan, and Supporting Public Resource Management Reforms in Balochistan) that were approved together with the BRMP. Strengthening Program Implementation in Pakistan amounted to $400,000, and became effective on 15 January 2005. It sought to augment the capacity for implementation and sustainability of the reform agenda under the BRMP. It was closed in January 2008, and a separate TA completion report was prepared; the TA was rated successful. It provided essential

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capacity building and implementation support to the PMU. Training needs assessments, database development, and analytical studies were expected to help Balochistan in the short, medium and long term. The official website of the BRMP was launched with the objective of making information widely accessible so that it can contribute to improving public service delivery and serve as a tool for BRMP activities and a fast information transfer link between the BRMP and ADB.

The TA for supporting Public Resource Management Reforms in Balochistan amounted to $1.92 million, was financed by the Netherlands and designed to improve management and sustainability of water resources in Balochistan. The overall assessment of this activity by the TA completion report prepared on December 2009 was rated successful.\(^8\) It further adds that outputs and outcomes were achieved effectively and efficiently despite unsatisfactory performance of the executing agency. However, sustainability of the outcome in terms of achieving the impact (i.e., better management of water resources) is less likely for two reasons. First, the provincial government's commitment to pursue IWRM remained uncertain, and the IWRM policy had yet to be implemented despite being adopted in March 2006. Being part of the broader policy dialogue under the BRMP, the limited success in enacting the BRMP reform agenda affected reform implementation in the water sector. Second, while baseline information was developed and technical staff trained on IWRM matters, workplaces and technical equipment have not been upgraded to allow them to use the training and update the data. The TA loan (Supporting Public Resource Management Reforms in Balochistan) was unable to deliver the necessary hardware and software that would have made this possible. The TA loan, amounting to $3 million, became effective on 23 December 2004 and was designed to support program implementation. It was closed in 21 July 2009 and a separate project completion report was prepared for it.\(^9\)

(v) **Performance of the borrower and executing agency.** This validation concurs with PCR rating of partly satisfactory. The executing agency found it difficult to coordinate the reforms among the various implementing agencies. The executing agency, through the PMU, was also unable to effectively mobilize support for program implementation from the TA loan resources. The PMU had insufficient capacity to administer the TA loan to support BRMP implementation.

(vi) **Performance of the Asian Development Bank.** This validation concurs with PCR rating of partly satisfactory. However, this validation notes that the first tranches of Loans 2107-PAK and 2108-PAK were released before compliance with the stipulated release conditions although they were later on complied with or substantially complied with. It further notes that following first tranche release, two conditions were revoked through contravening policy actions. This suggests a lack of understanding of the reform requirements, and a lack of agreement on the reform agenda. For this reason, ADB’s performance must be given a lower rating. The fact that agreements were eventually reached on the policy reversals and the delayed tranche conditions merely serves to mitigate the low rating and improve it slightly to partly satisfactory.

### D. Evaluation of Performance (PCR assessment and validation)

(i) **Relevance.** This validation agrees with PCR's assessment of partly relevant. The BRMP was broadly in agreement with the development policies of the federal government and BPG; however, it was too ambitious and complex. As designed, the BRMP would have been difficult for most local governments to accomplish. Given the political and economic interests affected by the agenda, and the then recent decentralization and institutional weakness of BPG, the BRMP design was particularly difficult for the local government to implement.

(ii) **Effectiveness in achieving outcomes.** This validation agrees with the PCR’s findings that the BRMP was less effective in achieving outcomes. The BRMP had two main thrusts: (a) to strengthen the fiscal position of and financial management in the province, and (b) to improve the

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delivery of public services through improved management of public and private resources. Despite retiring a part of its high-interest bearing debt, the BRMP did not strengthen BPG's fiscal and financial management. As noted in the PCR, fiscal deficits were larger than had been projected under the medium-term fiscal framework at the time of appraisal. Further, revenue reforms envisaged under the program were not fully completed. High recurrent expenditures persisted, and the practice of inefficient subsidies continued. All of these contribute to BPG's continued weak financial position. Likewise, the PCR notes that there was little progress in improving the provision of public services such as education, health, and water. The BRMP did not succeed in strengthening the operation of the private sector in Balochistan. As a result, poverty reduction remains a major concern of BPG.

(iii) **Efficiency in achieving outcomes and outputs.** The PCR states that achieving outcomes and outputs is less efficient. However, keeping in view the number of unfulfilled conditions and incomplete actions as detailed above, this validation rates that the BRMP was inefficient. As per the PCR, many agreed actions related to the second tranche were still pending or were yet to be done. One of the two first tranche conditions that were reversed after the release of the funds was also outstanding. The BRMP did not strengthen the fiscal position of the province. Provincial expenditures continued to be in excess of revenues, and debt accumulated again. Failure to achieve the stated outcomes renders the investments under the BRMP inefficient.

(iv) **Preliminary Assessment of Sustainability.** The PCR considers the preliminary assessment of sustainability unlikely, and this validation concurs. The limited achievements that have taken place under the BRMP are unlikely to be sustainable. As is reflected by non-fulfillment of agreed actions and conditions, the BRMP seemingly has not been able to engender adequate “buy-in” from the BPG and other stakeholders.

(v) **Impact.** The PCR does not have an overall rating for BRMP’s Impact. This validation rates its impact as negligible. Fiscal improvements in BPG have not taken root. Allocations for public services like education and health have not improved. The implementation of the gender reform action plan has not progressed very much. Thus, the impact of the BRMP was negligible. The BRMP was classified as category C and had no environmental impact.

E. Overall Assessment, Lessons, and Recommendations (validation of PCR assessment)

(i) **Overall assessment.** This validation agrees with all the PCR assessments and ratings, but notes that its effectiveness rating is at the lower end of the scale and that in respect of the criteria for efficiency, this validation rates the program inefficient. The overall assessment of the program is unsuccessful.

(ii) **Lessons.** The validation also agrees with the PCR’s identification of lessons. The acceptance of weak evidence of compliance, as well as non-compliance or partial compliance in some cases, and revisions of other conditions appears to have been directly caused by the overly ambitious design and low degree of project ownership by BPG.

(iii) **Recommendations.** This validation agrees with the recommendations made in the PCR, including the shortcomings of using nested policy conditions in program lending operations, where compliance with tranche release are measured by multiple agreed actions.
**F. Monitoring and evaluation design, implementation, and utilization** (PCR assessment and validation)

According to the RRP, in order to monitor implementation, BPG would prepare quarterly progress reports, as well as an annual report on program implementation for submission to ADB. It would also regularly update the program website. ADB would then send regular review missions and conduct semiannual reviews jointly with BPG to evaluate compliance with the conditions and advise BPG on actions required to keep program implementation on course. The PCR notes that ADB monitored program implementation closely by fielding a number of review missions. Close monitoring of the reversed first tranche conditions was necessary, while the second tranche conditions were being undertaken.

**G. Other** (e.g., safeguards, including governance and anticorruption; fiduciary aspects; government assessment of the program, as applicable) (PCR assessment and validation)

The BRMP’s overarching goal was to support Balochistan’s pro-poor development efforts by improving governance and public sector resource management, and creating sustainable fiscal space to finance the cost of structural adjustment. Considering BPG’s continuing financial constraints and the fact that the BRMP is unlikely to be sustainable, it is also not likely that the BRMP improved resource management or governance. Furthermore, it is noted that the BRMP II was approved in December 2008 for a total of a $100 million, and was scheduled to close in June 2009. The BRMP II has not become effective to date, and no amounts have been disbursed.

<table>
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<th>Independent Evaluation Department Review</th>
<th>Reason for Disagreement/Comments</th>
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<tr>
<td>Efficiency in achieving outcome and outputs</td>
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<td>In spite of the resources committed to the program, first tranche conditions were reversed, and release of the second tranche was delayed, with nine conditions partially complied with.</td>
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I. Comments on PCR Quality

The PCR is well-prepared and appears to have taken a candid look at the program. It constitutes a sound evaluation of the critical factors for assessing the success of the program. The Independent Evaluation Department thus considers the PCR quality to be satisfactory.

J. Recommendation for Independent Evaluation Department Follow-Up

No follow-up recommended.

K. Data Sources for Validation

The data sources include the program's back-to-office-reports, PCR, RRP, and progress reports on release of tranches.
REGIONAL DEPARTMENT’S RESPONSE TO THE PROGRAM COMPLETION REPORT
VALIDATION REPORT

On 6 March 2010, the Independent Evaluation Department (IED) circulated the draft validation report for interdepartmental comments. IED received comments from the Financial Sector, Public Management, and Trade Division of the Central and West Asia Department on 23 March 2010. The relevant comments were duly incorporated in the final draft. The division reviewed the final report, supports the changes made by IED, and has no further comments.