

## **DEVELOPMENT PARTNER COORDINATION**

### **A. Major Development Partners: Strategic Focus and Key Activities**

1. **Paris declaration.** Coordination among development partners in Pakistan follows the principles of the Paris Declaration on Aid Effectiveness. The Asian Development Bank (ADB) is an active member of all groups for coordinating development partners. The government is committed to strengthening aid harmonization and alignment to pave the way for better external aid partnerships, thus reducing transaction costs, enabling the government to make more efficient aid-allocation decisions, and improving monitoring and evaluation and results on the ground.

2. **Floods damage and needs assessment and other emergencies.** ADB was a major contributor under the \$1 billion effort in post-earthquake reconstruction and rehabilitation in 2005, focusing on housing, transport, energy, education, livelihoods, and health care. The program was closely coordinated among seven major partners through the Group of Seven forum. The government set up a strong coordination mechanism led by the Economic Affairs Department in the Ministry of Finance. A pivotal role was also played by the Earthquake Emergency Restoration Authority. The housing reconstruction program was jointly funded by ADB (\$400 million), the World Bank (\$300 million), and the Islamic Development Bank (\$140 million). Monitoring and financial management systems for the earthquake agencies were fully harmonized to meet the needs of all development partners and stakeholders.

3. The World Bank and ADB conducted more recently four damage needs assessments (DNAs) at the government's request. These include post-conflict needs assessments in the conflict areas, work being carried out with the World Bank, United Nations, and European Commission. The Interagency coordination for emergencies and flooding has traditionally been very strong in Pakistan, and this was demonstrated after the 2010 flood in the form of the joint DNA team and regular coordination meetings led by ADB, the World Bank, the Economic Affairs Department, and the National Disaster Management Authority. The Planning Commission led partner coordination on behalf of the government during the different stages of disaster response.

4. **Transport.** ADB's strategic focus is to help the government and the private sector improve connectivity within the National Trade Corridor framework. ADB provides financial and technical assistance to assist the government in achieving road sector targets, including securing long-term financing for road maintenance and capacity building in road agencies. ADB also extends technical assistance to the rail sector for modernization and private sector participation. The Islamic Development Bank is supporting Pakistan Railways. The Government of Japan focuses on upgrading and improving national highways and rural roads, improving the transport system in Karachi, extending technical cooperation on pavement technology improvement with the Highway Research and Technology Center, and supporting a transport policy advisor to the National Highway Authority. The World Bank works on rehabilitating and improving national highways and supporting the National Trade Corridor Improvement Program.

5. **Water resources management, and irrigated agriculture and drainage.** ADB's strategic focus is to promote sustainable, modern, and diversified agricultural production and marketing systems, with emphasis on key value chains for improved competitiveness and on an improved institutional environment for private sector investment. ADB supports policy and institutional reforms in the water sector and the rehabilitation and upgrading of existing infrastructure for irrigation, drainage, and flood protection. ADB leads the water sector task force set up by the Friends of Democratic Pakistan, the intention being to develop a shared strategy

and road map for the water sector in Pakistan. The International Fund for Agricultural Development supports agricultural development in Federally Administered Tribal Areas, Gilgit, and Baltistan. The Government of Japan supports canal system rehabilitation and technical cooperation for water-saving agricultural technology in Punjab. The World Bank supports water sector management and institutional reforms in Punjab, the rehabilitation of irrigation infrastructure, and on-farm water management to improve the quality of irrigation services. The Government of Switzerland supports integrated natural resource management in designated forest areas. The Netherlands supports capacity building and institutional strengthening in water agencies in Balochistan and promotes the sustainable use of land and water in the lower Indus delta region.

### Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
<b>Multisector</b>			
ADB	Earthquake Emergency Assistance Project	2005-2011	400.00
World Bank	Livelihoods and Housing Grants for Earthquake	2005-2011	300.00
ADB	Earthquake Displaced People Livelihood Restoration Program	2007-2008	400.00
JICA	Flood Assistance to UN for Flood early recovery	2011-2015	250.00
JICA	Emergency Import Support Loan	2011	60.00
World Bank	Support to Citizen Damage Compensation Program	2011-13	125.00
DFID	Government's Citizens' Damage Compensation Fund	2011	100.00
<b>Transport</b>			
ADB	Balochistan Road Development Sector Project	2003-2010	185.70
	North-West Frontier Province Road Development Sector and Subregional Connectivity Project	2004-2010	301.20
	National Highway Development Sector Investment Program (MFF)	2005-2010	183.00
	National Trade Corridor Highway Investment Program (MFF and technical assistance grant)	2007-2014	180.00
	National Highway Development Sector Investment Program – Project 2 (MFF)	2009-2013	230.00
JICA	Rural Roads Construction Project II (Sindh)	2008-2013	9.12
	East–West Road Improvement Project I	2008-2016	15.49
	Khyber Pakhtunkhwa Emergency Rural Roads Rehabilitation Project	2011-2020	175.00
World Bank	Highways Rehabilitation	2003-2011	261.40
USAID	Reconstruction of the Ayub Bridge in Mingora, Swat	TBD	6.50
	Malakand: Reconstruction of Roads and Associated Bridges	TBD	16.00
	South Waziristan Roads and Bridges		42.50
DFID	Vital Transport and Education Infrastructure in Border Areas	2011-2013	17.7
<b>Water Resources Management, and Irrigated Agriculture and Drainage</b>			
ADB	Punjab Irrigated Agriculture Investment Program (MFF)	2006-2013	227.80
	Sindh Coastal Community Development Project	2007-2013	36.00
IFAD	Southern Federally Administered Tribal Areas Development	2002-2010	17.20
	Crop Maximization Support Project	2009-2014	18.30
JICA	Punjab Irrigation System Improvement Project	2008-2013	11.38
USAID	Upper and Lower Swat River Canal System	TBD	18.00
World Bank	Sindh On-Farm Water Management Project – Additional Financing for Sindh On-Farm Water	2004-2012	84.77
	Sindh Water Sector Improvement Project Phase I	2007-2013	175.00
	Balochistan Small-Scale Irrigation Project	2008-2013	25.00
	Punjab Barrages Improvement Project Phase 2	2010-2016	155.00

ADB = Asian Development Bank; IFAD = International Fund for Agricultural Development; JICA = Japan International Cooperation Agency; MFF = multitranches financing facility; TA = technical assistance; TBD = to be determined  
Sources: Asian Development Bank and World Bank.

## **B. Institutional Arrangements and Processes for Coordination**

6. In the wake of the floods, the Government of Pakistan requested ADB and the World Bank to lead a DNA and One United Nations to lead the early recovery needs assessment in parallel. The DNA assessed the extent of the damage and needs for rehabilitating and reconstructing the damaged assets and infrastructure and restoring livelihoods and economic productivity. ADB, the World Bank, and One United Nations coordinated closely and shared information on their respective assessments. Key development partners also participated in the DNA teams, and the exercise was closely coordinating with all partners. Other partners include the United Kingdom through its Department for International Development, European Commission, GTZ, Japan International Cooperation Agency, and United States Agency for International Development. These agencies fund the rehabilitation of the affected areas. Some smaller bilateral partners have also shown interest in supporting reconstruction with a particular focus on the social sectors.

7. A donor coordination group comprising the major multilateral, bilateral, and nongovernment reconstruction partners was established by the Economic Affairs Division and the Planning Commission to review the progress of post-flood assessments. Reconstruction and rehabilitation are now being coordinated nationally by the Planning Commission and provincially by planning and development departments through dedicated flood cells. The Planning Commission shared the flood reconstruction plan with all major development partners. It developed a dedicated unit led by a director general to support this coordination effort. The team is now developing a monitoring system to keep track of the flood reconstruction efforts. Similar activities for strengthening the capacity of planning and development departments have been initiated.

## **C. Achievements and Issues**

8. ADB's response to the post-flood request for assistance was swift and effective. ADB quickly assembled a team of experts to prepare the DNA, co-leading with the World Bank. The DNA was approved and adopted by the government and all provinces. However, the magnitude of the damage is great, and reconstruction costs were estimated at \$ 9 billion. The response from the government was divided into three phases: relief and rescue, early recovery, and the reconstruction of infrastructure. The government's main focus thus far has been on the first two phases. Partner response has been fast and positive, but at present there is still a major funding gap for restoring infrastructure in Sindh. Most provinces have frozen new project approvals and diverted their annual development budgets to post-flood reconstruction.