



# Completion Report

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Project Number: 32024  
Loan Number: 1934-PAK(SF)  
March 2010

## Pakistan: Sindh Rural Development Project

## CURRENCY EQUIVALENTS

Currency Unit      –      Pakistan rupee/s (PRe/PRs)

		<b>At Appraisal</b>	<b>At Project Completion</b>
		19 September 2002	31 March 2008
PRe1.00	=	\$0.01688	\$0.01592
\$1.00	=	PRs59.225	PRs62.820

## ABBREVIATIONS

ADB	–	Asian Development Bank
BOR	–	Board of Revenue
CBO	–	community-based organization
km	–	kilometer
LGD	–	Local Government Department
m	–	meter
NCB	–	National Competitive Bidding
NGO	–	nongovernment organization
NIC	–	national identity card
NRSP	–	National Rural Support Program
O&M	–	operation and maintenance
PCU	–	project coordination unit
PIO	–	project implementation office
PPTA	–	project preparatory technical assistance
SCCDP	–	Sindh Coastal Community Development Project
SKAA	–	Sindh Katchi Abadis Authority
SRDP	–	Sindh Rural Development Project
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## GLOSSARY

<i>hari</i>	–	tenant and sharecropper
<i>deh-wide</i>	–	revenue circle
<i>tehsil</i>	–	administrative unit of a district
<i>tapedar</i>	–	revenue official (revenue circle level staff)
<i>sanad</i>	–	certificate of propriety rights
<i>mukhtiarkar</i>	–	revenue official (supervisory level staff)
<i>Zila</i>	–	district
<i>Nazim</i>	–	elected head of the local government

## NOTES

- (i) The fiscal year (FY) of the government ends on 30 June. "FY" before a calendar year denotes the year in which the fiscal year ends; e.g., FY2009 ends on 30 June 2009.
- (ii) In this report, "\$" refers to US dollars.

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## BASIC DATA

### A. Loan Identification

1.	Country	Pakistan
2.	Loan number	1934-PAK(SF)
3.	Project title	Sindh Rural Development Project
4.	Borrower	Islamic Republic of Pakistan
5.	Executing agency	Local Government, Kachi Abadies and Spatial Development Department
6.	Amount of loan	SDR37,885,000
7.	Project completion report number	PCR: PAK 0004

### B. Loan Data

1.	Appraisal	
	– Date started	7 August 2002
	– Date completed	27 August 2002
2.	Loan negotiations	
	– Date started	2 October 2002
	– Date completed	3 October 2002
3.	Date of Board approval	20 November 2002
4.	Date of loan agreement	3 March 2003
5.	Date of loan effectiveness	
	– In loan agreement	1 June 2003
	– Actual	27 May 2004
	– Number of extensions	4
6.	Closing date	
	– In loan agreement	30 June 2010
	– Actual	31 March 2008
	– Number of extensions	
7.	Terms of loan	
	– Interest rate	1% per annum during grace period and 1.5% per annum thereafter
	– Maturity (number of years)	32
	– Grace period (number of years)	8
8.	Terms of relending (if any)	Not applicable
	– Interest rate	
	– Maturity (number of years)	
	– Grace period (number of years)	
	– Second-step borrower	

#### 9. Disbursements

##### a. Dates

Initial Disbursement	Final Disbursement	Time Interval
14 September 2004	19 February 2009	54 months

Effective Date	Original Closing Date	Time Interval
27 May 2004	30 June 2010	47 months

## b. Amount (SDR)

Category or Subloan	Original Allocation	Last Revised Allocation	Amount Canceled	Net Amount Available	Amount Disbursed	Undisbursed Balance
01 – Civil works	19,762,000	341,212	19,420,788	341,212	341,212	0
02 – Equipment	146,000	19,770	126,230	19,770	19,770	0
03 – Material	378,000	0	378,000	0	0	0
04 – Vehicles	132,000	237,634	(105,634)	237,634	237,634	0
05 – NGO capacity building	181,000	0	181,000	0	0	0
06 – Training & demonstration	3,342,000	22,408	3,319,592	22,408	22,408	0
07 – Consulting service	2,053,000	68,603	1,984,397	68,603	68,603	0
08 – Community mobilization	698,000	0	698,000	0	0	0
09 – Governance support	423,000	15,362	407,638	15,362	15,362	0
10 – Supervision and implementation	2,736,000	284,504	2,451,496	284,504	284,504	0
11 – Recovery PRR TA		373,575	(373,575)	373,575	373,575	0
12 – Interest charge	1,078,000	38,675	1,039,325	38,675	38,675	0
13 – Unallocated	6,956,000	0	6,956,000	0	0	0
<b>Total</b>	<b>37,885,000</b>	<b>1,401,743</b>	<b>36,483,257</b>	<b>1,401,743</b>	<b>1,401,743</b>	<b>0</b>

demo = demonstration, NGO = non government organization, PRR TA = project preparatory technical assistance

10.	Local costs (financed)	
-	Amount (\$ million)	0.96
-	Percentage of local costs	63%
-	Percentage of total cost	36%

## C. Project Data

## 1. Project cost (\$ million)

Cost	Appraisal Estimate	Actual
Foreign exchange cost	10.65	1.12
Local currency cost	51.85	1.51
<b>Total</b>	<b>62.50</b>	<b>2.63</b>

## 2. Financing Plan (\$ million)

Cost	Appraisal Estimate	Actual
Implementation costs		
Borrower-financed	11.25	0.55
ADB-financed	50.00	2.02
Beneficiaries	1.25	0.00
<b>Total</b>	<b>62.50</b>	<b>2.57</b>
IDC costs		
Borrower-financed	0.00	0.00
ADB-financed	1.43	0.06
Other external financing	0.00	<b>0.00</b>
<b>Total</b>	<b>1.43</b>	<b>2.63</b>

ADB = Asian Development Bank, IDC = interest during construction.

## 3. Cost Breakdown by Project Component (\$ million)

Component	Appraisal Estimate	Revised	Actual
Improved governance and legal support	2.08	1.63	0.07
Enhanced social processes at the community level	2.79	0.00	0.00
Improved rural livelihoods	5.61	0.00	0.00
Upgraded rural infrastructure and settlement improvement	35.91	0.00	0.00
Project management support	2.68	3.25	1.30
Village level development		20.74	0.12
Improved link roads		23.80	0.54
<b>Total Base Cost</b>	<b>49.07</b>	<b>49.42</b>	<b>2.03</b>
<b>Contingencies</b>			
Physical	1.01	0.99	0.00
Price	10.99	10.55	0.00
Interest during construction	1.43	1.54	0.06
PPTA recovery cost			0.55
<b>Total</b>	<b>62.50</b>	<b>62.50</b>	<b>2.63</b>

PPTA = project preparatory technical assistance

## 4. Project Schedule

Item	Appraisal Estimate	Actual
Project management consultant	1 Apr 2003	24 May 2005
Institutional development consultant	31 Dec 2003	4 Jul 2006
Civil engineer	31 Dec 2003	14 Jul 2006
Media specialist	31 Dec 2003	6 Jul 2006
Adult literacy specialist	31 Dec 2003	15 Jun 2006
Gender specialist	31 Dec 2003	8 Jul 2006
Completion of engineering designs	31 May 2006	15 Jun 2006
Civil works contract		
Date of award	1 Oct 2006	7 Nov 2006
Completion of work	30 Jun 2001	31 Mar 2008 <sup>a</sup>
Equipment and supplies		
First procurement	April 2005	8 Apr 2005
Last procurement	Dec 2005	Dec 2005
Completion of equipment installation	n.a. <sup>b</sup>	n.a.
Start of operations		
Completion of tests and commissioning	Sep 2007	31 Mar 2008
Beginning of start-up	Oct 2007	31 Mar 2008

n.a = not applicable

<sup>a</sup> Project closed on 31 Mar 2008, much ahead of the original loan closing date.<sup>b</sup> No equipment installation was involved.

## 5. Project Performance Report Ratings

Implementation Period	Ratings	
	Development Objectives	Implementation Progress
From 1 Oct 2002 to 31 Dec 2002	Satisfactory	Satisfactory
From 1 Jan 2003 to 31 Mar 2003	Satisfactory	Satisfactory
From 1 Apr 2003 to 30 Jun 2003	Satisfactory	Satisfactory
From 1 Jul 2003 to 30 Sep 2003	Satisfactory	Satisfactory
From 1 Oct 2003 to 31 Dec 2003	Satisfactory	Satisfactory
From 1 Jan 2004 to 31 Mar 2004	Satisfactory	Unsatisfactory
From 1 Apr 2004 to 30 Jun 2004	Satisfactory	Satisfactory
From 1 Jul 2004 to 30 Sep 2004	Satisfactory	Satisfactory
From 1 Oct 2004 to 31 Dec 2004	Satisfactory	Satisfactory
From 1 Jan 2005 to 31 Mar 2005	Satisfactory	Partially Satisfactory
From 1 Apr 2005 to 30 Jun 2005	Satisfactory	Satisfactory
From 1 Jul 2005 to 30 Sep 2005	Satisfactory	Satisfactory
From 1 Oct 2005 to 31 Dec 2005	Satisfactory	Satisfactory
From 1 Jan 2006 to 31 Mar 2006	Satisfactory	Satisfactory
From 1 Apr 2006 to 30 Jun 2006	Satisfactory	Satisfactory
From 1 Jul 2006 to 30 Sep 2006	Satisfactory	Satisfactory
From 1 Oct 2006 to 31 Dec 2006	Satisfactory	Satisfactory
From 1 Jan 2007 to 31 Mar 2007	Partially Satisfactory	Satisfactory
From 1 Apr 2007 to 30 Jun 2007	Partially Satisfactory	Unsatisfactory
From 1 Jul 2007 to 30 Sep 2007	Partially Satisfactory	Unsatisfactory
From 1 Oct 2007 to 31 Dec 2007	Partially Satisfactory	Unsatisfactory
From 1 Jan 2008 to 31 Mar 2008	Unsatisfactory	Satisfactory

## D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members
Pre-fact-finding	13 Nov – 1 Dec 2000	6	98	a, b, c, d, e, f, g
Fact-finding	27 Apr – 26 May 2002	6	174	b, d, f, g, h
Appraisal	7 Aug – 27 Aug 2002	5	100	b, d, f, g, g
Pre-inception	20 Jul – 2 Aug 2003	1	13	i
Inception	10 – 20 Nov 2003	5	55	b, d, g, l, j
Follow-up	7 – 9 Apr 2004	1	2	i
Review	28 Aug – 4 Sep 2004	3	24	d, i, k
Special review	4 – 5 Mar 2005	2	4	k, l
Special review	4 – 9 Apr 2005	2	12	k, m
Review	20 Jun – 2 Jul 2005	3	27	k, m, n
Review	12 – 17 Dec 2005	1	6	k
Special project administration	6 – 7 Dec 2005	2	3	m, n
Special project administration	11 – 17 Oct 2006	3	15	k, l, m,
Special project administration	22 – 31 Jan 2007	2	20	k, m
Special project administration	6 – 11 Aug 2007	3	15	k, m, n
Project completion review	3 – 15 Mar 2007	2	23	k, m

a – project engineer, b – poverty reduction specialist, c – social development specialist, d – counsel, e – programs officer, f – international staff consultant, g – national staff consultant, h – rural infrastructure engineer, i – project economist, j – assistant project analyst, k – project implementation officer, l – country director, m – senior project assistant, n – associate disbursement analyst.



## I. PROJECT DESCRIPTION

1. The Sindh Rural Development Project was designed to address diverse and interdependent factors constraining the ability of rural households in Sindh Province to make significant improvements in their livelihoods. At the time of project formulation, overall poverty levels in Sindh were estimated at 37%, with 20% of the urban and 53% of the rural population living in poverty. Adult literacy rates in the four project districts were 10.5% for women and 34.7% for men. Rural link roads were in urgent need of upgrading and community infrastructure was deficient. Only 10.5% of the rural population had access to safe drinking water and sanitation. A majority of rural households in the four districts did not own agricultural or homestead land. A large proportion (44%) of all private farms were tenant farms; fewer than 20% of rural landowners were large landlords (with at least 10 hectares), but these large landlords owned over 60% of the private farms.<sup>1</sup> Tenants had a high risk of incurring debts with the landlord that they would be unable to repay at the end of a production cycle.<sup>2</sup> Lack of access to extension services, appropriate technologies, and formal credit were additional factors limiting the ability of tenants to improve their livelihoods.

2. The major characteristics of rural poverty stemmed from the complex social, cultural, legal, and political environment, with the feudal relationship between landlords, tenants, and landless laborers at its core. A sharecropping tenancy system prevailed in the canal-irrigated areas of the project districts, and changes in the tenancy system over time worked to the disadvantage of the *haris* (tenants and sharecropper).<sup>3</sup> The *haris* were becoming "bonded",<sup>4</sup> in the sense that their right to move and seek employment freely was restricted until their debts were settled. Low levels of compliance hampered the effectiveness of the Sindh Tenancy Act (STA), 1950, which was enacted to regulate the tenancy arrangements and protect the rights of the cultivators.

3. The project was designed to reduce poverty in the canal-irrigated areas of Badin, Mirpurkhas, Sanghar, and Thatta districts in southern Sindh by increasing empowerment, improving governance and access of the rural poor to public services, transferring technology for improved livelihoods, and providing essential infrastructure. The objective of the project was to improve the social status and economic wellbeing of the poorest groups in the project area with a focus on the following target groups: (i) tenants and agricultural laborers, (ii) marginal owners-cum-tenants, and (iii) small village-based artisans. The project focused in particular on women as the most disadvantaged among the target groups.

4. The project framework (Appendix 1) included the goal of reduced poverty in selected districts of southern Sindh; the impact was improved social status and increased income of the rural poor in the project area. It included four components in addition to project management support: (i) improved governance and legal support; (ii) enhanced social processes at the community level; (iii) improved rural livelihoods; (iv) upgraded rural infrastructure and settlement improvement.

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<sup>1</sup> ADB. 2002. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Islamic Republic of Pakistan for the Sindh Rural Development Project*. Manila.

<sup>2</sup> For example, a project preparatory technical assistance (PPTA) survey of 136 households in six villages in Sanghar revealed that 83% of households had outstanding loans at an average of PRs14,000.

<sup>3</sup> The Sindh Tenancy Act, 1950 uses the terms *hari* and tenant synonymously, defining a tenant as a person who personally cultivates the land of another person (the landlord). This document uses the term *hari* for a tenant and sharecropper.

<sup>4</sup> "Bonded labor" refers to a laborer who has forfeited the right to move and to seek employment elsewhere because of debt incurred with a creditor; in agriculture, most often with the landlord. The Bonded Labor System (Abolition) Act, 1992 provides a long definition.

5. Loan effectiveness was delayed for 18 months, followed by further implementation delays. The government proposed major changes in project scope and implementation arrangements to the Asian Development Bank (ADB) special project administration mission (11–17 October 2006). ADB Management approved these changes and reallocation of loan proceeds on 20 December 2006. However, these changes could not be implemented due to serious disagreement within the Sindh provincial government on the revised design after the change of minister of the executing agency. The loan was eventually closed due to unsatisfactory performance on 31 December 2007 (30 months before the original scheduled closing date of 30 June 2010).

## II. EVALUATION OF DESIGN AND IMPLEMENTATION

### A. Relevance of Design and Formulation

6. The project's goal (poverty reduction) and impact (improved social status and incomes) were consistent, as designed, with the poverty reduction strategies of ADB and the government. The thematic objectives (good governance and gender and development) were relevant, given the importance of socially inclusive development and improved governance in the country strategy and program.<sup>5</sup>

7. The outputs and implementation arrangements were partly relevant. The outputs were relevant from the perspective of the target group, but the design modality was unsuitable. The design was overly ambitious and flawed due to a complex mix of diverse interventions and implementation arrangements. The project framework was intended to change the governance structure through an area-based investment project, which had a limited scope for this kind of change. The project's poverty reduction strategy was based on cross-linking of thematic, sector, and crosscutting interventions backed up by multiple loan covenants and disbursement conditions, which made the project complex.

8. The timing and circumstances were not ideal. The project was the first (and to date only) project assisted by a multilateral agency that sought to address bonded labor issues and constraints in the four poverty-stricken districts in Sindh Province, which was known for the worst violations of the labor rights of *haris*. The project required continued political commitment; prolonged political crises in Pakistan were foreseeable at the time of project appraisal, making this assumption unrealistic.

9. The design was highly complex and dependent on various prerequisites: (i) promulgation of amendments to the Sindh Tenancy Act and the Sindh Tenancy Rules (STR) 2002;<sup>6</sup> (ii) implementation of the STA, the STR and other national commitments on bonded labor and tenancy; (iii) changes in the institutional mandate of Sindh Katchi Abadis Authority (SKAA), the main implementing agency; and (iv) community mobilization.

10. To ensure implementation of the Sindh Tenancy Act and Sindh Tenancy Rules and delivery of services to *haris* and agricultural labor, who mainly live in non-registered villages, the project provided for multifaceted, complex and cross-linked interventions including protection of legal rights, basic services in many sectors, and governance reforms. According to the original design, these interventions were backed up and interlinked through 36 loan conditions and covenants. The political will, institutional arrangements, and resources were not adequate to comply with the loan covenants and

<sup>5</sup> ADB.2002.ADB Country Strategy and Program for Pakistan 2002-2006. Manila

<sup>6</sup> Promulgation of amendments to the Sindh Tenancy Act and the Sindh Tenancy Rules was a condition for loan negotiations.

disbursement conditions. These interventions were to be implemented by 16 implementing agencies, including one federal agency, three provincial agencies, and 12 district line agencies. In addition, six nongovernment organizations (NGOs) and four training institutions were to be contracted for legal rights, community mobilization, and improved livelihood activities. It is important to note that while SKAA was the key implementing agency for the component of village link roads and improved settlement infrastructure, which involved 53% of the total project cost, it did not have the institutional mandate to work in the project area. A loan covenant required amendment of the SKAA Act, 1987 to extend SKAA's mandate to rural areas to enable it to implement this component.

11. Keeping in view considerable startup delay due to design complexities, on 30 December 2006 ADB approved major revisions in the project scope and implementation arrangements, which mainly reduced the number of project components, implementing agencies, loan conditions and covenants. The project design was revised from four to three components without compromising its objectives. A summary of the original and revised designs is provided in Appendix 2. The number of implementing agencies was reduced to six and the number of NGOs to two. Prior to ADB's approval, these changes were proposed by the executing agency and endorsed by both the federal government and the Sindh provincial government. However, the executing agency's newly appointed minister objected to these approved changes, particularly replacing (i) SKAA with the District Works and Services Department and National Rural Support Program (NRSP - a country-level domestic NGO); and (ii) replacing four district-based NGOs with NRSP. It is important to note that SKAA is an attached department of the executing agency and the implementing agency for the component of village link roads and settlement infrastructure. Consequently, the project coordination unit (PCU) was instructed to suspend project implementation according to the revised design, due to a disagreement between the bureaucratic tiers of the provincial government and the minister of the executing agency. This deadlock continued for more than 6 months, culminating in loan cancellation.

12. The original project design did not provide the resources and implementation arrangements required for compliance with critical loan covenants and disbursement conditions. For example, the loan agreement placed conditions on withdrawals from the loan account by SKAA for the improved settlement infrastructure component that required the Board of Revenue (BOR) to fulfill the following conditions: (i) a *deh*-wide (revenue circle) list of all villages in the project area with a population of over 50 households was to be prepared by BOR, indicating which of those villages were to be regularized on state land or privately owned land; (ii) BOR was to prepare a time-bound action plan for the regularization of all non-sanctioned or non-regularized villages; and (iii) a local NGO for each district was to be selected and functioning. However, the cost of village regularization activities (estimated at \$150,000) was not included in the project design. In addition, the original design also did not include field implementation arrangements and support cost for SKAA.

13. The project preparatory technical assistance (PPTA) institutional analysis did not recognize the impacts of the government's devolution initiatives. In the post-devolution structure, BOR's staff responsible for village regularization under the Gothabad Act, 1987 was devolved to districts. As a result, the BOR did not have the mandate and essential capacity to implement this activity. In addition, the government was planning to abolish SKAA in 2006, as devolution made it redundant. SKAA was created in 1987 to provide community-managed water supply and sanitation services in urban areas, mainly in metro Karachi. The devolution plan abolished the administrative divide between rural and urban areas through the creation of *tehsil* municipal administrations, which were responsible for these services.

14. The project design and underlying analysis did not fully comprehend the risk that the strategy of interlinking diverse (thematic, sector, and crosscutting) interventions in an investment project through loan covenants and disbursement conditions could become an

obstacle to successful project implementation. The design also did not fully recognize the risk of choosing Local Government, Kachi Abadies and Spatial Development Department as the executing agency, and SKAA and BOR as the main implementing agencies, despite their lacking the institutional mandate and technical capacity to deliver the project objectives and outputs.

15. Finally, the underlying analysis did not include a review of the political environment, and whether it was conducive for promoting the labor rights agenda. The country was ruled by a military dictatorship at the time of appraisal and during implementation, but evidence from around the world suggests that democratic governments are more likely to be supportive of these types of development objectives.

## **B. Project Components**

16. In the revised design, the four original components were merged into the following three components: (i) improved governance and legal support, (ii) village development, and (iii) improved link roads. Details on original outputs and achievements are in Appendix 3.

17. Most of the project components could not be implemented, and this evaluation therefore mainly focuses on details of design complexities, proposed changes in the design, and factors and processes that led to project cancellation. Following is an assessment of the original components.

### **1. Improved Governance and Legal Support**

18. The component 1 included following outputs: (i) enhanced compliance with legislation, (ii) strengthening the capacity of government institutions to improve land and tenancy records, and (iii) strengthening of labor-related legislation. Of the three, only two outputs were partially delivered, including training of revenue staff and village regularization.

#### **a. Enhanced Compliance with Legislation**

19. The activities suffered from considerable startup delay due to (i) cross-linkages with activities under another component (enhanced social process at the community level); and (ii) delay in recruitment of thematic NGOs and consultants. Community-based organizations (CBOs) were to be formed before implementation of the following activities: (i) development and institution of an accounting system for tenants; (ii) training and legal aid to tenants; (iii) rights monitoring and training; and (iv) establishment and implementation of grievance redress procedures. Since CBOs could not be formed due to problems with recruitment of district-based NGOs, as explained in Section II B 2, paras. 23-25, these activities could not be undertaken.

#### **b. Strengthening Capacity of Government Institutions to Improve Land and Tenancy Records**

20. The original outputs included (i) training of revenue staff, (ii) updating and maintenance of land and tenancy records, and (iii) village regularization. These activities were backed by loan covenants: (i) transfer of *sanads* (certificate of propriety rights) to all residents of sanctioned and regularized villages in which project activities would take place; (ii) filling of all vacant *tapedar* (revenue official) and supervisory *tapedar* positions; (iii) completion of a new land survey in the project area, reflected in accurate land records, which will include but not be limited to field books and village form VI, currently in use; and (iv) computerization of land records until land registration and tenancy records will have been properly maintained for a period of at least four cropping seasons. Most of these covenants were to be met within 6 months of loan effectiveness. The following activities were partially completed.

21. Training of revenue staff was delayed due to problems in establishment of the proposed revenue academy planned by the government. Of the 40 master trainers or *mukhtiarkar* (revenue official), 30 (75%) were trained; of the 575 *tapedars*, 300 (52%) were trained. The main achievement of this activity was to help establish the revenue academy in Tando Jam Local Government Academy. The BOR put together the first faculty, curricula, systems and procedures and other arrangements for the revenue academy to undertake project activities.

22. Village regularization activities were started after funds became available under the revised design. Of the 850 total villages, 97 (11%) were surveyed, regularized and *sanads* were issued to 12,000 households. Updating and maintenance of land and tenancy records was partially completed in one district under the Sindh provincial government's own project. This activity was therefore revised and the budget reduced.

## **2. Enhanced Social Process at the Community Level**

23. The original outputs included (i) organization of *haris*, marginal farmers and agricultural labor into 640 CBOs (including at least 30% women's organizations); (ii) training of these CBOs; (iii) provision of legal advice to these CBOs; and (iv) provision of functional and numeric literacy, including training of about 48 master-trainers (at least 50% female) and about 1,280 trainers (at least 50% female) in functional literacy, and training to 3,200 village groups (including 30% women's groups). It is important to note that most of the project activities were linked to this component through the formation of CBOs, which never occurred due to problems with recruitment of district-based NGOs.

24. According to the original design, this component was to be implemented by four district-based NGOs (one in each project district) with the help of a capacity-building NGO. The process of NGOs recruitment became politicized, with the result that the executing agency could not finalize recruitment. None of the local NGOs could obtain minimum technical scores (75%) consistent with the quality- and cost-based selection rating scale due to a lack of capacity to undertake this component. As a result, the NGOs pressured the executing agency to reevaluate the proposals. To avoid political pressure on the executing agency's selection committee in favor of a particular NGO, the executing agency solicited new expressions of interest on 20 May 2005. The executing agency's 1 June 2005 letter to NGOs requesting expressions of interest included a note that "canvassing in any form may lead to disqualification of organization." The recruitment was further delayed due to the (i) lack of executing agency's capacity to comply with ADB's standard guidelines for recruitment of NGOs through the quality- and cost-based selection method, and (ii) frequent changes in ADB project officers and executing agency project directors.

25. As a result of the critical linkages between this and other project components, the lack of capacity on the part of local NGOs, and politicization of the recruitment process, this component, in combination with the improved livelihoods, and upgraded rural infrastructure and settlement improvement components, was merged and revised into a village development component. Quantities and costs were revised and some activities dropped. The implementation arrangements were revised and four district-based NGOs were replaced with NRSP. However, the revised component of village development was not implemented due to design problems (paras. 11 and 55–56).

## **3. Improved Rural Livelihoods**

26. The original outputs included (i) agriculture support through incorporation of participatory extension techniques; training of CBOs and district government staff in crop production, livestock management and improved irrigation; organization of about 1,600 village

demonstrations and field days; establishment of about 1,600 seed blocks; establishment of improved milk collection systems; and the improvement and distribution of extension manuals; (ii) improving livestock management through training of about 300 village-based livestock workers (including at least 40% women), and provision of 1,600 workshops and 1,600 refresher courses in livestock management for village women; (iii) promotion of appropriate farm and household technology through demonstration of appropriate farm and household technologies (80% for women) in about 1,600 villages, and provision of training in vegetable gardening technologies in about 1,600 villages; (iv) the organization of workshops and district fairs; and (v) promoting access to microcredit through provision of orientation sessions and linkages for CBOs to access microcredit programs.

27. From the perspective of increasing incomes, this was the most important component, but it could not be initiated due to problems with the formation of CBO. Most of the activities were to be carried out by CBOs, which could not be formed due to problems with recruitment of district-based NGOs. This component was revised and merged into the new village development component, which was not implemented due to loan cancellation after revision.

#### **4. Upgraded Rural Infrastructure and Settlement Improvement**

28. The original outputs included (i) upgrading of about 200 kilometers (km) of district link roads by district governments to link 50 village clusters to the main road network; and (ii) establishing and upgrading community of infrastructure by SKAA through upgrading of about 750 km of village link roads, and improving community infrastructure in up to 750 villages, particularly drinking water supply, drainage and sanitation facilities. Outputs (i) and (ii) could not be implemented due to (i) noncompliance with disbursement conditions as explained in para. 11; (ii) lack of mandate, and technical and management capacity of SKAA; and (iii) problems with formation of CBOs.

##### **a. District Link Roads**

29. Training for the staff of the District Works and Services Department and procurement of survey equipment did not take place due to delayed recruitment of the consultant project engineer. Of the 200 km of roads, 13 subprojects (and 22.8 km of roads) were completed by the advance loan closing date of 31 March 2008. In 2007, ADB withheld 16 contracts (with a cost of PRs71 million, or \$1.17 million equivalent) for construction of an additional 31 km of district link roads due to the decision to cancel the project. The procurement process and quality of civil works was satisfactory.<sup>7</sup> Environmental assessments were conducted by the Environment Protection Agency of Sindh Government.

##### **b. Village Link Roads and Settlement Infrastructure**

30. As noted in paras. 12–14, the Sindh provincial government was required to extend the mandate of SKAA to rural areas to enable it to undertake infrastructure activities (Schedule 6, para. 15 of the Loan Agreement). This covenant raised a conflict of interest between SKAA and BOR. SKAA made a request on 5 August 2004 to the chief minister seeking an amendment to the Sindh Kachi Abadies Act, 1987 to enable it to undertake village regularization. The BOR objected to that request. The Law Department and chief secretary did not approve the request, stating that regularization of villages in rural areas was the mandate of BOR. BOR's position was that SKAA should address only development work and not village regularization and certification of propriety rights to *haris*, as these are revenue-related subjects. Agreement could not be reached between BOR and SKAA, resulting in considerable startup delay for this component. However, SKAA started work on pilot activities in four villages in late 2005, as

<sup>7</sup> Aide-mémoire of ADB Project Completion Review mission, 3–15 March 2008.

agreed with the ADB project inception mission in November 2003 and subsequent missions, with the understanding that development activities were included in its existing mandate.

31. SKAA did not follow the approved specifications and cost estimates.<sup>8</sup> According to original specifications, the village link roads consisted of a basic 3 meter (m) wide gravel or broken brick surface on raised compacted embankments.<sup>9</sup> The specifications followed by SKAA were comparable with a farm-to-market road. The original unit cost per km for the village link roads was \$13,000, while the cost of Karim Dino Mosepoto village link road constructed by SKAA was \$49,761 per km, more than triple the approved cost. The water supply and sanitation schemes were also not satisfactory with respect to community participation, costs, contract awards, and quality of civil works.

32. In the process, SKAA realized that it lacked the required (i) institutional presence in the rural areas of project districts; (ii) technical and management capacity to work in a completely different setting (i.e., rural areas and roads schemes, which SKAA had no experience with); and (iii) funding under for project establishment and support in the project districts. Disbursement conditions with implications for startup of this component were related to village regularization by BOR, which could not be met due to the lack of funds for these costs in the original project design, and changes in BOR's setup after devolution.<sup>10</sup>

33. The scope and implementation arrangements were therefore revised. The condition requiring amendment of the SKAA Act was dropped in the revised design after replacement of SKAA by (i) NRSP for settlement infrastructure activities, and (ii) the District Works and Services Department for village link roads. The original specifications for village link roads were upgraded from gravel roads to low specification blacktopped roads, according to the requirements of communities and government standards, and the unit cost revised from \$13,000 to \$32,000 per km. Targets were reduced from 750 km to 400 km to avoid an increase in the cost of village link roads and an overall increase in project costs.

### **C. Project Costs**

34. The project cost at appraisal was estimated at \$62.50 million (Appendix 4), including taxes and duties. The ADB loan was for \$50.0 million (80%), the government's share was \$11.25 million (18%), and the beneficiaries' share was estimated at \$1.25 million (2%). The ADB loan included \$10.65 million in foreign exchange and \$39.35 million equivalent in local currency financing.

35. The revision in project scope approved by ADB in December 2006 resulted in a significant shift in the cost sharing and a reallocation of loan proceeds by 2.81%. In the revised design, the ADB financing share was increased from 80% to 84% to pay additional costs of village regularization and 78% of project staff salaries and allowances. Accordingly, the government's share was reduced down by 4% (from 18% to 14%).

36. The actual project cost was \$2.99 million, of which \$2.08 million (69.5%) was financed by the ADB loan, and \$0.91 million (30.5%) by the borrower. The borrower's financing increased because some payments were disallowed by ADB, and declared ineligible for ADB financing.

<sup>8</sup> Aide-mémoire of ADB loan review mission, 12–17 December 2005.

<sup>9</sup> Original specification of improved village link roads was a 3 meter wide compacted carriageway of gravel or broken brick to provide a durable running surface (15–30 cm thick, subject to load), with a 0.5 m compacted shoulder of suitable material on either side, over a raised (at least 0.5 m) compacted earth-filled embankment.

<sup>10</sup> Back-to-Office Report of ADB special project administration mission, 22–31 January 2007.

## **D. Disbursements**

37. Significant disbursement delays were experienced due to problems in fulfilling loan effectiveness conditions, followed by slow progress. The initial disbursement was made about 22 months after loan approval and the final disbursement on 19 February 2009, with a delay of 14 months<sup>11</sup> due to delayed submission of final claims by the executing agency. The original disbursement schedule could not be followed because most of the loan amount was allocated for the upgraded rural infrastructure and settlement improvement component, with disbursements not allowed until conditions were met. These conditions were not met, and work on this component thus did not commence, resulted in no disbursement under this component.

38. Imprest account and statement of expenditure procedures were used for payments to the contractors of district link roads. All payments were less than \$50,000 and were paid out of the imprest account, which was less time-consuming and ensured timely release of payments to contractors. Direct payments were made to the international consultant and the vehicle supplier. Overall, the disbursement procedures were efficient.

## **E. Project Schedule**

39. According to the project implementation schedule (Appendix 5) prepared at appraisal, project implementation was planned to begin in last quarter of 2004, with a completion date of 30 June 2010. The project suffered both startup delays (delay in loan effectiveness) and implementation delays. The loan became effective on 27 May 2004, about a year later than scheduled due to a delay in fulfilling two conditions for loan effectiveness: (i) recruitment of an international project management specialist, and (ii) establishment of PCU and PIUs and recruitment of PCU staff. Moreover, delayed submission of a legal opinion on loan and project agreements also contributed. As a result, ADB had to extend the date of loan effectiveness four times.

40. Once the loan became effective, the project was further delayed for following reasons: (i) complex design, (ii) lack of mandate of the executing agency and key implementing agencies to deliver their assigned components, (iii) delay in compliance with disbursement conditions, (iv) inadequate technical and management capacity of the PMU due to lack of provisions in the design, and (v) politicization of the NGO recruitment process.

## **F. Implementation Arrangements**

### **1. Executing Agency and Implementing Agencies**

41. As discussed in paras. 12-14, the design did not fully recognize the risk of choosing the Local Government Department (LGD) as the executing agency and SKAA and BOR as the main implementing agencies—which lacked the institutional mandate and technical capacity to deliver on project objectives and outputs. In addition, the design involved significant coordination, with multiple implementing agencies, NGOs, and training institutions at all levels of government. The implementation arrangements were therefore revised. It was proposed by the Sindh provincial government to change the executing agency from LGD to the Planning and Development Department, but this was not successful (LGD disagreed). The number of implementing agencies was reduced through the following changes: (i) the district governments of Badin, Thatta, Umerkot, Mirpurkhas, and Sanghar replaced all district line agencies; (ii) NRSP replaced SKAA, one thematic NGO, and four district-based lead NGOs; and (iii) Lawyers for Human Rights and Legal Aid (an NGO) replaced two thematic NGOs and one private firm. The project organization and coordination structure was revised accordingly. Incremental positions were

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<sup>11</sup> From the agreed loan closing date of 31 December 2007.



added to enable BOR to support implementation of their respective activities. Omerkot, which was originally a *tehsil* of a project district, became a separate district, and a small project implementation office (PIO) and a separate second-generation imprest account was included in the revised design for Omerkot to avoid administrative and coordination problems.

## **2. Project Staff**

42. One of the main reasons for the delay in startup was a mismatch between component requirements and incremental staff provided under the project. The original design did not provide for essential technical and management staff at the PCU, PIOs, SKAA, and BOR, and even lacked a fulltime project director and district project directors. Existing government staff was given additional responsibility to run the project. The budget for staff salaries was also inadequate, and as a result, most staff positions remained vacant. Relevant technical and management staff positions were included in the revised design, and staff salaries were revised on the basis of current market rates. Financing arrangements for salaries was revised from the government financing 100% to 78% being financed from loan proceeds, and 22% by the government.

## **3. Project Committees**

43. The project steering committee was responsible for project review, approval of the annual workplan and policy decisions. It was established on schedule and worked efficiently. *Zila* (district) project committees were headed by local *Nazim* (elected head of the local government), who mostly belonged to affluent sections of society. The *zila* project committees considerably delayed selection of villages due to their vested interest in serving their own constituents.

## **G. Conditions and Covenants**

44. The project had too many conditions and covenants. In addition, the interlinking of these conditions and covenants with sector, thematic and crosscutting interventions was one of the main design flaws that caused the project to fail. In addition, the original design did not budget for costs associated with compliance of some conditions. A review of the compliance status of the 36 loan conditions and covenants clearly shows that the design was not feasible—only 12 (33%) were fully complied with, 8 (22%) were partly complied with, and 15 (42%) were not complied with (Appendix 6).

45. Promulgation of amendments to the Sindh Tenancy Act and of the Sindh Tenancy Rules was a condition for loan negotiations, which was met on time.

46. Effectiveness conditions included (i) the execution and delivery of the Loan Agreement on behalf of the Borrower duly authorized or ratified by all necessary corporate and governmental action, (ii) submission of legal opinions by the borrower on the validity of the loan and project agreements, (iii) establishment and staffing of the PCU and PIUs, and (iv) recruitment of an international project management specialist to assist the PCU. Loan effectiveness was delayed for 18 months because (i) the government's legal opinion on the project agreement involved consultation with multiple agencies due to the complicated nature of the conditions and covenants; (ii) political intervention in recruitment of PCU and PIU staff; and (iii) delays in recruitment of the project management consultant due to the borrower's reluctance to recruit the consultant, and the lack of a full-time project director who could have expedited the recruitment. The scheduled date of loan effectiveness date was 1 June 2003. Conditions (i) and (ii) were met by 15 February 2004, but the third condition (recruitment of a project management consultant) took a further 3 months, with the loan declared effective on 27 May 2004, following four extensions by ADB.

47. The status of disbursement conditions is discussed in paras. 12 and 37–38. Some of the covenants not complied with included (i) following ADB's environmental guidelines for construction works (loan agreement, Schedule 7, para. 24); (ii) establishment of a project performance management system in each district, (loan agreement, Schedule 6, para. 26); (iii) filling of all vacant positions of *tapedars*, and supervisory *tapedars* in the project area (loan agreement, Schedule 6, para 9); (iv) engagement of a rights-monitoring organization on the project (loan agreement, Schedule 6, para. 10); (v) carrying out of the project with due diligence and in conformity with sound administrative, financial, engineering, and environmental practices (loan agreement, Article IV, Section 4.01 [a]); (vi) use of loan proceeds exclusively for carrying out project activities (loan agreement, Article III, Section 3.04); and (vii) submission of quarterly progress report in required format and with required details (project agreement, Article II, Section 2.08 [b]).

48. One covenant (loan agreement, Schedule 6, para. 15) related to extending the mandate of SKAA to rural areas was not complied with until 30 December 2006. In the revised project design, SKAA was replaced with NRSP and the covenant became irrelevant.

## **H. Consultant Recruitment and Procurement**

49. The project suffered significant delays in the recruitment of consultants and NGOs, and procurement of civil works contracts for construction of district link roads. Most procurement could not take place, with the exception of a few vehicles and furniture, and recruitment of three individual consultants. However, compliance with ADB guidelines was satisfactory.

50. The project faced serious problems in recruitment of four district-based NGOs and two thematic NGOs. Details on the issues, recruitment process and changes in the procurement mode are provided in para. 24. Given the lack of capacity of the candidate district-based NGOs and political interference in favor of particular NGOs, a change in the selection method was introduced to eliminate political interference. Four district-based NGOs were replaced with one national-level NGO and the procurement mode was changed from national competitive bidding to single-source selection.

51. Of the multiple contracts for 200 km of district roads, only 13 contracts were awarded, for construction of 22.8 km of roads. Draft standard bidding documents and all bid evaluation reports were approved by ADB. National competitive bidding was used.

## **I. Performance of Consultants, Contractors, and Suppliers**

52. The original project provided for 521 person-months of specialized services (494 person-months of national consultants and 27 person-months of international consultants) in long-term and short-term appointments through consulting firms and individual consultants. Consulting services inputs were reduced during project restructuring to 409 person-months (404 person-months for national consultants and 5 person-months for international consultants). However, during project implementation only 49 person-months of consulting services were used, including 4 person-months of international consultants (80%) and 45 person-months of national consultants (12%). All were individual consultants. Details on utilization are provided in Appendix 7.

53. The overall performance of the consultants was partly satisfactory. The international project management consultant consumed 80% of the original person-month allocation, but did not help with start-up, which was the main duty for the position. Similarly, the institutional development specialist and the gender specialist could not deliver due to startup problems. The

performance of the civil engineer was, however, comparatively better as the district roads component was partially implemented due to simple implementation arrangements.

54. The performance of civil works contractors was generally satisfactory despite some delay. None of the civil works (roads) contract in district Thatta could be completed on time, mainly due to weather conditions. The delay in completion of works ranged from 3 to 6 months. The quality of the works was generally satisfactory.

#### **J. Performance of the Borrower and the Executing Agency**

55. The executing agency's performance must be assessed in the context of the executing agency's institutional assessment at appraisal and loan negotiation, which did not fully recognize the risk of project failure due to the executing agency's limited institutional mandate and capabilities. In addition, the performance of the executing agency must be viewed in the context of political situation in Pakistan, both at the time of project preparation and during project implementation.

56. The political turmoil resulted into constant reshuffling of the civil bureaucracy, and the changes in the administrative system under the devolution plan affected the executing agency, which was unable to commit to activities beyond its mandate, and was heavily involved in implementing the devolution plan. The executing agency also lost power to the districts. The SKAA, which was the main department attached to the executing agency, was also threatened by the devolution process. Finally, the executing agency resisted its own replacement and that of SKAA. The executing agency lacked resources following devolution, and used project resources (mainly vehicles) for non-project activities. These issues created tension between the PCU and executing agency's overall administration. Despite these pressures, the project staff, mainly the first full-time project director and deputy project director, worked very hard to maintain the support of stakeholders and implementing agencies, but project implementation stalled nevertheless. The executing agency cooperated with ADB except during closing, when project records and data were not provided to ADB, and project assets were not handled responsibly. The executing agency's overall performance (from design to implementation) is considered partly satisfactory.

#### **K. Performance of the Asian Development Bank**

57. The issue of complex design became apparent almost immediately upon project implementation, as reflected by startup delays in the second year after loan effectiveness. The executing agency began criticizing the PPTA consultants and ADB for (i) preparing a complex design, (ii) lengthy and complicated procurement guidelines, and (iii) frequent changes in project officers. In response to these issues, ADB fielded five review missions in 2005 to resolve the startup issues. Revisions in project design were proposed to ADB missions in December 2005 but agreement could not be reached between ADB, the executing agency, the Sindh provincial government. ADB sought to cancel the loan to clear its portfolio, but the provincial government did not agree and requested that ADB change the scope and implementation arrangements. ADB and the provincial government agreed on project restructuring in a meeting on 8 September 2006, attended by chief secretary of the provincial government; director general, ADB Central and West Asia Department; and country director and concerned project implementation officer, ADB Pakistan Resident Mission. The ADB special project administration mission (October 2006) formulated a proposed revised design, which was approved by the executing agency, the provincial and federal governments, and finally by ADB on 20 December 2006.

58. Faced with design difficulties and an inadequate mandate, capacity and commitment on the part of the executing agency, ADB worked to expedite implementation, compliance with

conditions and covenants, and executing agency training in disbursement and procurement guidelines. ADB fielded 13 loan review missions from July 2003 to March 2007. Revisions in design were formulated twice (December 2005 and October 2006) and detailed memorandums of agreement were prepared, which included (i) detailed analysis of the design; and (ii) proposed revision in scope, specification of civil works, implementation arrangements, mode of procurement, unit costs, and project costs. ADB's performance from design to implementation stage is considered partly satisfactory.

### III. EVALUATION OF PERFORMANCE

#### A. Relevance

59. Overall, the project was *partly relevant*. The primary objective of poverty reduction was relevant to ADB's overarching objective. The secondary objectives of good governance and gender and development were relevant to ADB's thematic objectives, and country strategy and program for Pakistan. The components and outputs were relevant to the problems faced by poorest groups in the project area including (i) *haris* and agriculture laborers, (ii) marginal owner-cum-tenants (with less than 2 hectares), and (iii) small village-based artisans. However, the design—which interlinked diverse outputs, implementation arrangements and the use of multiple loan conditions and covenants—was partly relevant. Most of the components could not be delivered. The components focused on service delivery could have been fully delivered if they had not been interlinked with the thematic and crosscutting interventions related to labor rights and governance. The relevance of the Sindh Tenancy Act and the Sindh Tenancy Rules requires further assessment.

#### B. Effectiveness in Achieving Outcome

60. The project framework projected a 21%–29% increase in the incomes of 22,000 *hari* households by June 2009. The improved rural livelihoods component included provisions for improving agriculture, horticulture and livestock production and improving access to institutional credit. Because this and other components could not be implemented, the project outcome is assessed *ineffective* in achieving the project outcome.

#### C. Efficiency in Achieving Outcome and Outputs

61. The efficiency in achieving outcome and outputs of the project is assessed as *less efficient*. Only a few of the activities under the four proposed outputs were completed. The overall project achievements included (i) construction of 22.8 km of district link roads and 2.4 km of village link roads connecting a few clusters of villages to district road networks; (ii) partial training of revenue staff to prepare land and tenancy records; and (iii) survey and regularization of 97 (11%) unregistered villages, and award of *sanads* to 12,000 households. Details on achievement of performance targets are given in Appendix 3. The roles of executing agency and implementing agencies were *less efficient* due to their institutional limitations.

#### D. Preliminary Assessment of Sustainability

62. The sustainability of the project is assessed *unlikely*. The project was closed ahead of schedule, and most activities were not initiated. Ongoing activities were completed before loan closing. The district roads constructed under the project were handed over to the district governments. No follow-up action is required.

## E. Impact

63. Insufficient activities were completed to enable the project impact to be studied and determined. However, the project generated a discussion within the government and ADB regarding the reasons the project failed. The Sindh provincial government and ADB have become more aware of the need to avoid startup delays caused by complex designs. For example, the Sindh Coastal Community Development Project (SCCDP) has a comparatively simple and selective design, with few loan covenants and conditions.<sup>12</sup> NGOs were selected through single-source selection at the appraisal stage. Retroactive financing was made available to establish the PMU before loan effectiveness to avoid startup delays. The Sindh Rural Development Project offices were redesignated as SCCDP offices and project staff, vehicles and operational equipment were transferred to SCCDP to facilitate its smooth startup.<sup>13</sup>

## IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

### A. Overall Assessment

64. The project is assessed *unsuccessful*. The project comprised a serious effort to address critical issues faced by the poorest groups in the area, but the design was overly ambitious, complex, and could not be effectively implemented in the form proposed or restructured without comprising its objectives. Significant delays in compliance with loan conditions and covenants were experienced that were related to labor rights and linked with the service delivery components. One of the main reasons for failure was the linkages between the sector, thematic and crosscutting interventions. The institutional arrangements as designed (and as revised, without a change in the executing agency), did not match the implementation requirements. A summary of performance ratings is provided in Appendix 8.

### B. Lessons

65. When the project was prepared ADB was exploring the possibility of addressing the issue of labor welfare and labor standards in its operations. Various first-generation studies, policies, procedures and projects on labor, social protection and governance were under consideration.<sup>14</sup>

66. The project was a departure from mainstream project design at ADB with respect to the areas addressed and interventions planned, but it had limited potential to address structural poverty reduction measures. It suffered from unsuitable timing, cumbersome conditions and /covenants, and the selection of an inappropriate executing agency. The lessons from the project can be considered for the design of projects that address underfunded critical areas.

### 1. Feasible Conceptual Framework and Design Approaches

67. The project experience raises a larger question: whether actions to improve labor rights and welfare are compatible with ADB's existing design modalities (i.e., program, sector and investment loans). The experience in Pakistan has not been encouraging with respect to any of these approaches.

<sup>12</sup> ADB.2006.*Report and Recommendation of the President to the Board of Director: Proposed Loan to the Islamic Republic of Pakistan for the Sindh Coastal Community Development Project*. Manila

<sup>13</sup> Back-to-Office Report of the ADB PCR mission, 3–15 March 2008.

<sup>14</sup> Some of the labor rights initiatives included (i) Regional Technical Assistance 5887-REG: Strengthening the Role of Labor Standards in Selected DMCs, approved by ADB on 23 December 1999; signing of ADB–International Labor Organization memorandum of understanding on 9 May 2002; (ii) Social Protection Strategy was adopted by ADB on 13 September 2001; and (iii) TA 3682-PAK: Support for the Implementation of the National Policy and Action Plan to Combat Child Labor.

68. **Program loans.** Experience indicates that tenancy and labor rights cannot be effectively addressed via program loans. These loans involve (i) support by market forces that have vested interests in private sector development; and (ii) the interest of the government to have access to rapidly disbursed foreign exchange to reduce budget deficits and improve the balance of payments.<sup>15</sup> Tenancy and bonded labor are land-related issues, and labor welfare requires increases in public expenditures, resulting in more budget liabilities; consequently, expansion of labor rights is not easily accomplished under program loans. The ADB experience of including labor rights in the scope of program loans in Pakistan also shows that they are not compatible, the Punjab Resource Management Programs (Subprogram 1) being the best example. Labor-related regulatory and administrative reforms were included in the design but given the program loan focus on fiscal matters and reduction of recurrent costs, these measures were not achieved because these measures required increase in public expenditure and legislation.<sup>16</sup> The agenda of labor rights is also incompatible with these loans because rather than entailing restructuring of commodity, capital and fiscal markets through rapidly-disbursed loans, it involves political processes—labor representation in legislative bodies, constitutional and legal provisions, an effective judicial system, and above all the abolition of a feudal structure, which is a root cause of bonded labor.

69. **Sector loans.** The experience with sector loans is also not encouraging. A labor and governance review of ADB-assisted road sector loans in Pakistan reported massive violations of labor standards, despite the inclusion of contract conditions on compliance with labor standards in the standard ADB bidding documents.<sup>17</sup> Sector loans lack the scope to address crosscutting themes and have mostly been successful due to established institutional linkages within given sectors. In contrast, the issue of labor rights is not confined to a sector, but is a crosscutting macro-level structural issue involving nationwide economic, sociopolitical, and legal reforms.

70. **Investment loans.** Investment loans lack the scope for macro-level structural reforms as they deal with service delivery through existing local structures in a specific geographical area. At best, a capacity-building component can be included in these projects to improve efficiency of the existing structures. Multisector community development projects are generally complicated in nature and adding a labor rights protection agenda to these projects would complicate implementation. This project is a classic example of this.

71. **Conclusion.** In summary, the existing ADB operational design modalities do not provide space for promoting labor rights. Links between labor rights and welfare, good governance practices, poverty reduction and the improvement of labor rights through loans by multilateral financing institutions is relatively under-researched, at least with respect to Pakistan. Yet, given the overarching focus of ADB on good governance and poverty reduction, it is critical that this be explored. Poverty reduction not only requires that income opportunities be created, but also that these opportunities constitute a means by which individuals and households can exit the absolute poverty cycle.

## 2. Feasible Scope and Implementation Arrangements for a Community Development Project

72. A multisector community development project must be organic in nature (i.e., self-operating, which reduces the coordination demands on the executing agency, and the need for monitoring by ADB). This can only happen if (i) the design includes comparatively more tested and proven interventions and fewer new initiatives; and (ii) the interventions are limited in

<sup>15</sup> ADB. 2009. *Completion Report: Agriculture Sector Program II in Pakistan*. Manila.

<sup>16</sup> ADB. 2009. *Draft Completion Report. Punjab Resource Management Program*. Manila.

<sup>17</sup> PRM. November 2004. *Study Report.. Labor and Governance Review in the Roads Sector: Issues Arising in ADB's Operations in Pakistan*.

number and strategic in nature; and (iii) if an appropriate executing agency and NGOs are selected at the appraisal stage.

73. Given the sector mandate of line agencies in Pakistan, provincial planning and development departments are the best institutional homes for multisector projects, as these are the only departments with a multisector mandate. In addition, they have established reporting lines and institutional relationships with line departments and district governments. The ADB-assisted NWFP Barani Areas Development Project (phase I and II), Punjab Barani Areas Development Project, and Sustainable Livelihoods in Barani Areas Project are four examples of successful project implementation by these departments.

74. The model of involving multiple district-based NGOs for community mobilization and selecting them through the National Competitive Bidding (NCB) process is not successful due to (i) their lack of capacity; (ii) politicization of the recruitment process; and (iii) the lengthy and cumbersome process of recruitment through the NCB process,<sup>18</sup> which in the case of the project added limited value because of the limited number of qualified district-based NGOs in Pakistan. In the case of the SRDP (and in many other similar cases in Pakistan, such as North-West Frontier Province Barani Areas Development Project – Phase II), the process of competitive bidding had been unsuccessful. Almost all of the district-based NGOs participated in bidding, mobilized their contacts against each other, and ended up in serious conflict. To avoid startup delays and politicization of the recruitment process, the most feasible mode of procurement of community mobilization services is single-source selection of one qualified NGO at the appraisal stage. Some of the successful examples of the one-NGO community mobilization model and single source selection at appraisal are: (i) Sustainable Livelihoods in Barani Areas Project; and (ii) Sindh Coastal Community Development Project. These projects have been able to start community mobilization, small-scale infrastructure and training activities soon after loan effectiveness.

75. Projects that are innovative in nature or complicated in design inherently involve delays and require intensive ADB supervision. The potential delays should be factored into the design. Community development projects require additional time and proper arrangements for community mobilization and social preparation processes. ADB experience with such projects, including the Sindh Rural Development Project, shows they generally experience delays of 2 years. The project period should not be less than 7 years.

## C. Recommendations

### 1. Project Related

76. **Project performance evaluation report.** To further assess performance of the project, it is proposed that a project performance evaluation be conducted in early 2010. Given the increasing number of reported cases of *hari*-feudal conflicts in the project area,<sup>19</sup> the scope of evaluation must include the impact of implementation of the Sindh Tenancy Act and Sindh Tenancy Rules to ascertain if (and to what extent) the amendments to the act were useful. It is important to note that in 21 reported cases, around 538 *haris* and farm workers (including women and children) were freed from private jails and illegal confinement related to debt bondage, mainly in the project district of Mirpurkhas. The evaluation would not be meaningful without this study, as this is an important area that could not be studied in preparing the project completion report.

<sup>18</sup> The experience of ADB projects in Pakistan shows that recruitment of consulting firms and NGOs according to NCB guidelines takes about 250–260 days to complete.

<sup>19</sup> Human Rights Commission of Pakistan. March 2009. *State of Human Rights in Pakistan in 2008*.

## **2. General**

77. ADB should conduct a critical review of its commitments on labor standards and its social protection strategy and formulate a realistic conceptual framework and associated loan design modalities for addressing labor rights, social protection, and labor welfare issues.

78. In the future, ADB should include only essential loan conditions and covenants in community development investment projects. Effectiveness conditions that require recruitment of a project management consultant for project startup should be avoided if the project design lacks provisions for (i) retroactive financing for establishment of a PMU before loan effectiveness to facilitate project start-up, and (ii) incremental senior management staff positions with adequate (market-based) salaries.



## PROJECT FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<b>Goal</b>  Reduced poverty in selected districts of southern Sindh			
<b>Purpose</b>  Improved social status and increased income of the rural poor in the project area	<ul style="list-style-type: none"> <li>▪ By June 2009, income of 22,000 hari households increased by 21%–29%</li> <li>▪ By June 2009, 3,200 village groups perceive their well-being to be improved</li> </ul>	<ul style="list-style-type: none"> <li>▪ Participatory monitoring and evaluation reports</li> <li>▪ Progress reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Political will to support social change remains strong</li> <li>▪ Continued cooperation between provincial and district government</li> <li>▪ Local government recognizes the need to cooperate and establishes meaningful working relationships with non-government organizations (NGOs) to implement the project</li> </ul>
<b>Component 1:</b> <b>Improved Governance and Legal Support</b> <b>Output 1:</b> Compliance with legislation enhanced			
1.2.1 Develop and implement awareness-raising and dissemination campaign 1.2.2 Develop and institute simple accounting system 1.2.3 Train paralegals and provide legal advice 1.2.4 Carry out training in rights monitoring 1.2.5 Conduct rights monitoring 1.2.6 Establish and implement appropriate grievance-redress procedures	<ul style="list-style-type: none"> <li>▪ By June 2009, 22,000 of the haris are using the accounting system introduced by the project</li> <li>▪ By June 2009, 24 paralegals have been trained and legal advice has been provided</li> <li>▪ By June 2009, 27 training and 27 refresher courses in rights monitoring have been carried out</li> <li>▪ By midterm review, effectiveness of grievance procedures evaluated and amendments proposed as necessary</li> </ul>	<ul style="list-style-type: none"> <li>▪ Record books</li> <li>▪ Progress reports</li> <li>▪ Sindh Rural Development Project (SRDP) reports</li> <li>▪ Human Rights Commission of Pakistan annual reports</li> <li>▪ Reports from rights monitoring groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuous political commitment to introduce change</li> <li>▪ Improved transparency of, and access to, public documents</li> </ul>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<b>Output 2:</b> Capacity of government institutions and stakeholder organizations strengthened 1.3.1 Train revenue staff to prepare land records 1.3.2 Update and maintain land and tenancy records (computerization of records at all levels) 1.3.3 Strengthen vigilance committees	<ul style="list-style-type: none"> <li>▪ By June 2009, 575 revenue staff are qualified to prepare land records</li> <li>▪ By June 2009, 100% of land records have been updated</li> <li>▪ By June 2009, vigilance committees in 4 districts are operational and effective</li> </ul>	<ul style="list-style-type: none"> <li>▪ Record books</li> <li>▪ Village forms</li> <li>▪ Progress reports</li> <li>▪ Human Rights Commission of Pakistan annual reports</li> <li>▪ Reports from rights monitoring groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Trained staff apply new knowledge and skills</li> </ul>
<b>Output 3:</b> Labor-related legislation reviewed 1.1.1 Review and prepare legislation regarding agricultural labor	<ul style="list-style-type: none"> <li>▪ By 31 December 2004, appropriate agricultural labor legislation has been drafted</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRDP reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuous political commitment to introduce change</li> </ul>
<b>Component 2:</b> <b>Enhanced Social Processes at the Community Level</b> <b>Output 1:</b> Haris, marginal owners-cum-tenants, and agricultural laborers organized in village groups 2.1.1 Identify and classify villages according to set criteria 2.1.2 Identify and assess organizations working at the village level 2.1.3 Organize village groups and networks as interlocutors for project activities 2.1.4 Strengthen existing organizations (community-based organizations [CBOs], village groups) 2.1.5 Provide functional and numeric literacy	<ul style="list-style-type: none"> <li>▪ By June 2009, at least 60% of village groups are actively participating in decision making at the community level</li> <li>▪ By March 2007, village classification has been completed</li> <li>▪ By December 2007 organizational capacity of village groups has been assessed</li> <li>▪ By June 2009, 3,200 village groups are operational</li> <li>▪ By June 2009, 640 CBOs have been strengthened and 3,200 village groups have been trained</li> <li>▪ By June 2009, 3,200 literacy courses have been delivered</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progress reports</li> <li>▪ NGO progress reports</li> <li>▪ Training manuals and teaching materials</li> <li>▪ Training reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Suitable NGOs with strong commitment toward project target groups are selected</li> <li>▪ NGOs and CBOs cooperate effectively</li> <li>▪ Hari groups participate in training programs</li> </ul>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<b>Component 3:</b> <b>Improved Rural Livelihoods</b> <b>Output 1:</b> Agricultural support structure strengthened  3.1.1 Provide training and reorientation program on participatory extension approaches  3.1.2 Provide technical training for trainers (agriculture, livestock, on-farm water management)  3.1.3 Improve marketing of milk and other dairy products  3.1.4 Improve and distribute technical manuals	<ul style="list-style-type: none"> <li>▪ By end-June 2009, 48,000 hari households access agricultural support services</li> <li>▪ By end 2005, 300 trainers have been trained</li> <li>▪ By end-2005, 195 trainers trained in crop production, 135 in livestock management and 195 in on-farm water management</li> <li>▪ By June 2009, 6 exposure visits and 1,600 village-level workshops conducted</li> <li>▪ By end-2005, 5 types of manuals will be updated / improved and by June 2009, distributed to 3,200 village groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progress reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued commitment to implement the reforms envisaged by Agricultural Sector Program II</li> <li>▪ Effective consultants recruited</li> <li>▪ NGOs and CBOs cooperate effectively</li> <li>▪ Hari groups participate in training programs</li> </ul>
<b>Output 2:</b> Improved livestock management  3.2.1 Train village-based livestock workers  3.2.2 Provide village-based training in livestock management (including the diagnosis and treatment of diseases).	<ul style="list-style-type: none"> <li>▪ By December 2009, 300 village-based livestock workers trained, and 300 kits distributed</li> <li>▪ By June 2009, 48,000 females trained in 1,600 livestock training workshops (including refresher courses)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progress reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ NGOs and CBOs cooperate effectively</li> <li>▪ Village groups participate in training programs</li> </ul>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<b>Output 3:</b> Appropriate farm and household technology available  3.3.1 Demonstrate and promote appropriate household technology 3.3.2 Demonstrate and promote appropriate agricultural technologies 3.3.3 Multiply improved seed at the village level 3.3.4 Strengthen kitchen gardening 3.3.5 Support and facilitate expansion of income diversification opportunities for low income households (through NGOs, CBOs)	<ul style="list-style-type: none"> <li>▪ By June 2009, 48,000 hari households access agricultural support services</li> <li>▪ By June 2009, appropriate household technologies demonstrated in 1,600 villages</li> <li>▪ By December 2005, 3 exposure visits will be completed involving District Agriculture and NGO Staff</li> <li>▪ By June 2009, 48,000 farmers exposed to agricultural training sessions across 1,600 villages</li> <li>▪ By June 2009, 1,600 demonstrations established</li> <li>▪ By June 2009, seed blocks established on target group fields in 1,600 villages and 1,600 hectares of target group fields planted with multiplied improved seed</li> <li>▪ By June 2009, 1,600 vegetable demonstrations established and 48,000 women involved in training workshops</li> <li>▪ By June 2010, 6 NGO workshops will be completed and 12 fairs held</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progress reports</li> <li>▪ SRDP reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ NGOs and CBOs cooperate effectively</li> <li>▪ Hari groups participate in training programs</li> <li>▪ Effective consultants recruited</li> <li>▪ Seed farms able to supply basic seed</li> </ul>
<b>Output 4:</b> Haris, marginal farmers and agricultural laborers have access to credit through CBOs  3.4.1 Facilitate expansion of Khushhalibank credit activities to project area 3.4.2 Link CBOs to Khushhalibank 3.4.3 Provide training to CBOs on facilitating access to formal credit system	<ul style="list-style-type: none"> <li>▪ By June 2009, 32,000 haris, marginal farmers, and agricultural laborers have accessed formal credit (40% of them women)</li> <li>▪ By June 2003, Khushhalibank branches established</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progress reports</li> <li>▪ Khushhalibank reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Khushhalibank's resources and/or procedures allow extension of necessary credit to project target group</li> <li>▪ NGOs and CBOs operate effectively</li> <li>▪ Village groups participate in training programs</li> </ul>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
	<ul style="list-style-type: none"> <li>and functioning in project districts</li> <li>By June 2009, 640 CBOs have linked 3,200 village groups to Khushhalibank</li> <li>By June 2008, 640 CBOs trained in accessing institutional credit</li> </ul>		<ul style="list-style-type: none"> <li>Khushhalibank's continued commitment to project</li> </ul>
<p><b>Component 4:</b>  <b>Upgraded Rural Infrastructure and Settlement Improvement</b>  <b>Output 1:</b></p> <p>Improved village link roads</p> <p>4.1.1 Select villages for link roads according to predefined criteria</p> <p>4.1.2 Through a community-based participatory approach, establish/draw up partnership agreements with the villagers</p> <p>4.1.3 Prepare technical feasibility report including technical survey, environmental screening, detailed design, and cost estimates</p> <p>4.1.4 Strengthen villagers' capacities to maintain village link roads</p> <p>4.1.5 Establish a road maintenance fund at the village level</p> <p>4.1.6 Upgrade village link roads through villagers and local petty contractors</p> <p>4.1.7 Supervise construction work to meet quality standards</p>	<ul style="list-style-type: none"> <li>By 2009, 750 kilometers of village link roads constructed linking 300 villages either between themselves or directly to the main road network</li> </ul>	<ul style="list-style-type: none"> <li>Sindh Katchi Abadis Authority (SKAA) and project progress reports</li> </ul>	<ul style="list-style-type: none"> <li>Villagers contribute their share of costs and are committed to take over operation and maintenance (O&amp;M)</li> </ul>
<p><b>Output 2:</b></p> <p>Improved district link roads</p> <p>4.2.1 Select clusters of villages according to predefined criteria</p> <p>4.2.2 Prepare feasibility study including technical survey, environmental screening, detailed design, costs estimates, and tender documents</p> <p>4.2.3 Organize construction work through local contractors</p> <p>4.2.4 Supervise construction work to meet quality standards</p>	<ul style="list-style-type: none"> <li>By June 2009, 200 kilometers of roads constructed linking 50 clusters of villages to the main road network</li> </ul>	<ul style="list-style-type: none"> <li>Progress reports, project completion report, and review missions.</li> </ul>	<ul style="list-style-type: none"> <li>District government maintains roads in serviceable condition</li> </ul>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<b>Output 3:</b> Improved settlement infrastructure 4.3.1 Identify villages according to predefined criteria 4.3.2 Regularize house plot tenure for those haris without tenure 4.3.3 Through a community-based participatory approach, identify and prioritize interventions for each village, and prepare settlement development plan and partnership agreements 4.3.4 Prepare technical feasibility report including technical survey, environmental assessment, detailed design, and cost estimates	<ul style="list-style-type: none"> <li>▪ By June 2009, improved settlement infrastructure provided in 300 villages of 100–200 households</li> <li>▪ By June 2009, improved settlement infrastructure provided in 450 villages of 50–100 households</li> </ul>	<ul style="list-style-type: none"> <li>▪ SKAA and project progress reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Villagers contribute their share of costs and are committed to take over O&amp;M of the infrastructure</li> <li>▪ Quality of water from the source remains stable</li> </ul>
4.3.5 Upgrade/establish infrastructure (water supply scheme, drainage schemes, village lanes, etc.) through villagers and local petty contractors 4.3.6 Supervise construction work to meet quality standards 4.3.7 Provide training to villagers on O&M schemes			
<b>Component 5:</b> <b>Project Management Support</b> <b>Output 1:</b> Project management and monitoring services established 5.1.1 Establish provincial coordination unit (PCU) and project implementation offices (PIOs) 5.1.2 Award contracts for all required NGO services 5.1.3 Support project activities with appropriate consulting services 5.1.4 Introduce appropriate management information services capability 5.1.5 Implement/organize/coordinate project activities on timely basis 5.1.6 Monitor implementation of project activities 5.1.7 Evaluate impact	<ul style="list-style-type: none"> <li>▪ PCU and PIO staff in place</li> <li>▪ \$0.60 million in equipment procured</li> <li>▪ NGO contracts awarded and NGO staff fully mobilized for project implementation</li> <li>▪ 27 person-months of international consultants and 492 person-months of domestic consultants recruited</li> <li>▪ Project performance monitoring system plan in place</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progress reports</li> <li>▪ Project accounts</li> <li>▪ Project review missions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Appropriately qualified staff are appointed to the PCU and PIOs</li> <li>▪ Adequate counterpart budget allocated and transferred on a timely basis</li> <li>▪ Competency of consultants and NGOs</li> </ul>

**ORIGINAL AND REVISED PROJECT DESIGN**  
(\$ million)

Components/ Subcomponents	Original Project Design			Components/ Subcomponents	Revised Project Design		
	Estimated Base Cost		Implementing Agency		Estimated Base Cost		Implementing Agency
	Amount	%			Amount	%	
A. Improved Governance and Legal Support	2.08	4.2	Federal Ministry of Labor	A. Improved Governance and Legal Support	3.00	6.0	
1. Strengthening of labor legislation			Thematic NGO/Lead NGOs	1. Enhanced compliance with legislation			LGD by engaging Lawyers for Human Rights and Legal Aid and NRSP as implementing agencies
2. Compliance with legislation enhanced			Board of Revenue (BOR)	2. Strengthening capacity of government institutions			BOR
3. Strengthening capacity of government			Sindh Civil Services and Local Government Academy	3. Review of labor-related legislation			Federal Ministry of Labor
B. Enhanced Social Processes at the Community Level	2.79	5.7		B. Village-level Development	20.12	40.1	
1. Identification and classification of villages			Lead NGOs	1. Community mobilization			NRSP
2. Identification and classification of CBOs			Lead NGOs	2. Functional and numeric literacy			NRSP
3. Organize <i>hari</i> groups/network CBOs			Lead NGOs	3. Training and capacity building of district governments and CBOs			NRSP
4. Strengthening lead NGOs			Thematic NGOs	4. Improved rural livelihoods			District governments and NRSP
5. Functional and numeric literacy			Lead NGOs				

Components/ Subcomponents	Original Project Design			Components/ Subcomponents	Revised Project Design		
	Estimated Base Cost		Implementing Agency		Estimated Base Cost		Implementing Agency
	Amount	%			Amount	%	
C. Improved Rural Livelihoods	5.61	11.4		C. Improved Link Roads	23.4	47.5	
1. Strengthening agriculture support			District Agriculture Department	1. Improved district link roads			District governments and NRSP
2. Promoting milk and dairy marketing			District Agriculture Department	2. Improved village link roads			District governments and NRSP
3. Improve and distribute manuals			District Agriculture Department/Lead NGO				
4. Training and demonstration			Agriculture University				
			National Agriculture Research Council				
			District Agriculture Department				
			Agricultural Training Institute				
D. Upgraded Rural Infrastructure and Settlement Improvement	35.91	73.2					
1. District link roads			District Works & Services Department				
			Environmental Protection Agency (EPA)				
2. Settlement improvement			Sindh Katchi Abadis Authority (SKAA)				
E. Project Management	2.69	5.5		D. Project Management Support	3.25	6.0	

BOR = board of revenue, CBO = community-based organization, LGD = local government department, NGO = non-government organization, NRSP = national rural support programme

Source: Memorandum of Understanding, Special Project Administration Mission 11-17 October 2006



## PROJECT OUTPUTS AND ACHIEVEMENTS

		Unit	Performance Targets			
			As Appraised	As Revised	As completed	% of Revised Targets
Purpose						
1	Income of haris households increased by	Percent	21 - 29	21 - 29		
2	Village groups perceive their well-being to be improved	No.	3,200	3,200		
Component 1: Improved Governance and Legal Support						
3	Haris using the accounting system introduced by the Project	Person	22,000	22,000		
4	Para-legals trained	Person	24	24		
5	Training in Rights monitoring conducted	No.	27	27		
6	Refreshers courses on rights monitoring conducted	No.	27	27		
7	Revenue staff are made qualified to prepare land records	Person	575.0	575.0	300	52%
8	Land records updated	Percent	100	100		
9	Vigilance committees established, operational and effective in districts	No.	4	4		
10	Villages Surveyed and Regularized	No.	-	850	97	11%
Component 2: Enhanced Social Processes at the Community Level						
11	Percentage of village groups actively participating in decision making at community level.	Percent	At least 60%	At least 60%		
12	Village Classification completed	Percent	100	100		
13	Village Groups are Operational	No.	3,200	3,200		
14	CBOs strengthened	No.	640	640		
15	Village Groups trained	No.	3,200	640		
16	Literacy courses delivered	No.	3,200	3,200		
Component 3: Improved Rural Livelihoods						
17	Agricultural Support Services provided to Hari households	households	48,000	48,000		
18	Training and Orientation provided to trainers on participatory extension approaches	Persons	300	250		
19	Training provided to master trainers in crop production	Person	195	195		
20	Training provided to master trainers in Livestock Management	Person	135	135		
21	Training provided to master trainers on farm water management	Person	195	195		

Outcome/Output	Unit	Performance Targets			% of Revised Targets
		As Appraised	As Revised	As completed	
22 Exposure visits arranged	No.	6	6		
23 Village level workshops conducted	No.	1,600	1,600		
24 Types of manuals to be updated and improved.	No.	5	-		
25 Manuals distributed to village groups.	No.	3,200	3,200		
26 Village-based Livestock workers trained	Person	300	-		
27 Kits distributed	No.	300	225		
<b>28 Village-based training in livestock management</b>					
a. Females Trained	No.	48,000	1,000		
28 b. Workshops/refresher courses conducted	No.	1,600	1,000		
29 Appropriate household technologies demonstrated in villages	No.	1,600	-		
30 Exposure Visits involving district Agriculture and NGO staff	No.	3	3		
<b>31 Agricultural Trainings Provided to:</b>					
a. No. of Farmers	No.	48,000	-		
b. Covering Villages	No.	1,600	-		
32 Seed multiplication demos established	No.	1,600	1,600		
33 Seed blocks established on target group fields planted with multiplied improved seed.	No.	1,600	1,600		
34 Women involved in training workshops in vegetable demonstration.	No.	48,000	-		
35 NGO workshops held.	No.	6	-		
36 Fairs held	No.	12	-		
37 Haris/marginal farmers and agri. Laborers have accessed to formal credit (male)	No.	19,200	-		
38 Haris/marginal farmers and agri. Laborers have accessed to formal credit (female)	No.	12,800	-		
39 Khushahli Bank branches established in Project Districts.	No.	4	-		
<b>40 Linkage of Villages groups to Khushhali Bank by CBOs</b>					
a. CBOs linked	No.	640	-		
b. Village Groups linked	No.	3,200	-		
41 CBOs trained in accessing institutional credit	No.	640	-		

Outcome/Output	Unit	Performance Targets		
		As Appraised	As Revised	As completed % of Revised Targets
Component 4: Upgraded Rural Infrastructure and Settlement Improvement				
42 Construction of Village Link Roads				
a. Total Length	Km.	750	400	2.40
b. Providing Linkage to No. of villages	No.	300		
43 Construction of District Link Roads				
44 a. Total Length	Km.	200	200	22.40
45 b. Providing Linkage to Clusters of villages	No.	50	-	
46 Improved settlement infrastructure provided to villages of 100-200 households	No.	300	305	
47 Improved settlement infrastructure provided to villages of 50-100 households	No.	450	345	
Component 5: Project Management Support				
48 Lead NGOs recruited	No.	4	1	
49 Thematic NGO recruited	No.	1	1	
50 International Right Monitoring Organization Recruited	No.	1	-	
51 Consultants (International) Recruited	PM	27	5	4
52 Consultants (Domestic) Recruited	PM	492	404	45

CBO = community-based organization, NGO = non-government organization, PM = person-months

Source: ADB Project Completion Review Mission, 3–15 March 2008

**PROJECT COST AND FINANCING PLAN**  
(\$ million)

**Table A4.1: Financing Plan**  
(\$ million)

Source	As appraised				As Revised				Actual			
	FE	LC	Total	%	FE	LC	Total	%	FE	LC	Total	%
Asian Development Bank	10.65	39.35	50.00	80.00	11.08	41.42	52.50	84.0	1.12	0.96	2.08	79.0
Beneficiaries	-	1.25	1.25	2.00	-	1.25	1.25	2.0	-	-	-	-
Government	-	11.25	11.25	18.00	-	8.75	8.75	14.0	-	0.55	0.55	21.0
<b>Total</b>	<b>10.65</b>	<b>51.85</b>	<b>62.50</b>	<b>100.0</b>	<b>11.08</b>	<b>51.42</b>	<b>62.50</b>	<b>100.0</b>	<b>1.12</b>	<b>1.51</b>	<b>2.63</b>	<b>100.0</b>

FE = foreign exchange, LC = local currency

Source: RRP, LFIS Project Expenditure Data

**Table A4.2: Project Cost by Component and Currency**  
(\$ million)

Item	As Appraised			As Revised			As Completed		
	FE	LC	Total	FE	LC	Total	FE	LC	Total
<b>A. Base Cost</b>									
1. Improved governance and legal support	0.29	1.79	2.08	0.20	1.43	1.63	0.00	0.07	0.07
2. Enhanced social processes at the community level	0.34	2.45	2.79	0.00	0.00	0.00	0.00	0.00	0.00
3. Improved rural livelihoods	0.78	4.83	5.61	0.00	0.00	0.00	0.00	0.00	0.00
4. Upgraded rural infrastructure and settlement improvement	5.99	29.92	35.91	0.00	0.00	0.00	0.00	0.00	0.00
5. Project management support	0.63	2.05	2.68	2.00	1.25	3.25	0.40	0.89	1.30
6. Village level development	0.00	0.00	0.00	2.50	18.24	20.74	0.00	0.12	0.12
<b>Subtotal (A)</b>	<b>8.03</b>	<b>41.04</b>	<b>49.07</b>	<b>8.00</b>	<b>41.42</b>	<b>49.42</b>	<b>0.52</b>	<b>1.51</b>	<b>2.03</b>
<b>B. Contingencies</b>									
1. Physical	0.11	0.90	1.01	0.19	0.80	0.99	0.00	0.00	0.00
2. Price	1.08	9.91	10.99	1.35	9.20	10.55	0.00	0.00	0.00
<b>Subtotal (B)</b>	<b>1.19</b>	<b>10.81</b>	<b>12.00</b>	<b>1.54</b>	<b>10.00</b>	<b>11.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>C. Interest During Construction</b>	1.43	0.00	1.43	1.54	0.00	1.54	0.06	0.00	0.06
<b>D. PPTA Recovery Cost</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.55	0.00	0.55
<b>Total</b>	<b>10.65</b>	<b>51.85</b>	<b>62.50</b>	<b>11.08</b>	<b>51.42</b>	<b>62.50</b>	<b>1.12</b>	<b>1.51</b>	<b>2.63</b>

FE = foreign exchange, LC = local currency, PPTA =project preparatory technical assistance




Source: Asian Development Bank estimates.

# PROJECT IMPLEMENTATION SCHEDULE (Appraised Versus Actual)

Activity	YEARS																			
	2004				2005				2006				2007				2008			
	O	Q3	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1. Project Management Support</b>																				
Appoint Deputy Project Coordinator																				
Establish PCU/PIOs																				
Project Management Specialist																				
Procurement of Vehicles and Equipment/Consultant Recruitment																				
Lead NGO Recruitment																				
PBM Activities																				
Mid Term Review																				
PCR Preparation																				
<b>2. Improving Governance and Capacity Building</b>																				
<b>Labour Related Legislation Strengthen</b>																				
Review of labour Legislation																				
<b>Compliance With Legislation Enhanced</b>																				
Awareness Raising/ID Campaigns/Vigilance Committees																				
Development of Accounting System																				
Training of Para Legal/Delivery																				
Rights Monitoring																				
Grievances Redressal Mechanism																				
<b>Strengthening Capacity of Govt/Stakeholder Institutions</b>																				
Revenue Staff Training																				
Update/Maintain Land and Tenancy Records																				

Activity	YEARS																											
	2004				2005				2006				2007				2008				2009				2010			
	O	Q3	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>3. Enhancing Social Processes at Community Level</b>																												
Identification and Classification of Villages																												
Identification and Classification of CBOs																												
Organize Hari Groups/Network of CBOs																												
Strengthen Lead NGOs																												
Functional Numeric Literacy																												
<b>4. Improved Rural Livelihood</b>																												
<b>Strengthening Agricul Support</b>																												
Training of Trainers																												
Promoting Milk and Dairy Marketing																												
Improve and Distribute Manuals (15000 copies)																												
<b>Improved Livestock Management</b>																												
Training and Demonstration																												
Extensin Services																												
<b>Promote Appropriate Farm Technology</b>																												
Training and Demonstrations																												
Extension Services																												
<b>5. Establishing and Upgrading Rural Infrastructure</b>																												
District Link Roads																												
Settlement Infrastructure																												

CBO = Community-based Organization, PCU = Provincial Coordination Unit, PIO = Project Implementation Office

Planned   
 Actual   
 Intermittent Activity 

Source: ADB Project Completion Review Mission, 3–15 March 2008

### STATUS OF COMPLIANCE WITH LOAN COVENANTS

Covenant	Reference in Loan Agreement	Status of Compliance
Except as the Bank may otherwise agree, the Borrower shall cause to be established immediately after the Effective Date, an imprest account at the National Bank of Pakistan. The account shall be established, managed, replenished and liquidated in accordance with the Bank's "Loan Disbursement Handbook" dated January 2001, as amended from time to time, and detailed arrangements agreed upon between the Borrower and the Bank. The initial amount to be deposited into the imprest account shall not exceed the equivalent of \$500,000.00	Schedule 3 Para 8(a) – LA.	Complied with.
The Borrower shall cause each of the PIOs and SKAA to open an imprest sub-account at the National Bank of Pakistan. These imprest sub-accounts shall be established, managed replenished and liquidated in accordance with the Bank's "Loan Disbursement Handbook" dated January 2001, as amended from time to time, and detailed arrangements agreed upon between the Borrower and the Bank. The initial combined total amount to be deposited in all imprest sub-accounts shall not exceed the equivalent of \$400,000.00	Schedule 3 Para 8(b) – LA.	Complied with delays. Sub-imprest accounts in District Mirpurkhas and Sanghar were not opened on time.
<p>Notwithstanding any other provision of LA, no withdrawal shall be made from the Loan Account for:</p> <p>(a) any activity to be implemented by the lead NGOs or under the guidance of those NGOs until the lead NGO for each district shall have been selected and is functioning;</p> <p>(b) activities under Component D until a de-hi-wide list of all villages in the Project are with a population of over 50 households shall have been drafted up indicating which of those villages are sanctioned or regularized or not and whether they are located on state land or privately owned land. A time bound Action Plan for the regularization of all non-sanctioned or non-regularized villages shall also have been drawn up; and</p> <p>(c) any activities related to the computerization of land records until land registration and tenancy records shall have been properly maintained for a period of at least four cropping seasons.</p>	Schedule 3, Para 9 – LA	Complied with.
The Borrower shall ensure that all Bank-financed goods and services procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services	Schedule 4, para 9(a) – LA.	Not complied with. PCU and PIOs continued to use pirated software despite ADB's advice during review missions to procure licensed



Covenant	Reference in Loan Agreement	Status of Compliance
procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.		versions for use by project offices.
Civil works contracts for district link roads would be awarded on the basis of local competitive bidding among pre-qualified contractors in accordance with the standard procurement procedures of LGD and acceptable to the Bank. Pre-qualification, selection and engagement of contractors shall be subject to the approval of the Bank.	Schedule 4, para 7 – LA.	Complied with.
The Borrower shall take all appropriate and necessary measures to ensure that by the end of 2002, the mandate of SKAA shall be extended to rural areas.	Schedule 6, para 15 – LA.	Initially not complied with. Later it became "not applicable" because in the revised project design, SKAA's role was assigned to NRSP.
SKAA shall ensure that it shall recruit and appoint sufficient and appropriate staff to implement the settlement improvements.	Schedule 6, para 16 – LA.	Partially complied with. SKAA remained understaffed for most of the time.
The borrower shall ensure (a) regularization of non-sanctioned or non-regularized villages, by the BOR, prior to the commencement of settlement improvement activities under Component D of the Project in such villages; and (b) the transfer of propriety rights (Sanads) to all residents of sanctioned and regularized villages in which Project activities take place.	Schedule 6, para 17 – LA.	Partially complied with. 97 villages were regularized during the project, though the settlement improvement worked was done only in one village as a pilot.
The Borrower shall ensure that, prior to the award of any civil works contract, all land, including public land, proposed for construction, alignment, improvement or rehabilitation of any facilities under the Project, including roads, shall be screened for resettlement effects. The Borrower shall ensure that no site shall be selected which would involve land acquisition or land conversion that might generate involuntary resettlement effects, including loss of income, resources or assets for the non-titled, and that LGD shall at all times comply with the Bank's Policy on Involuntary Resettlement.	Schedule 6, para 18 – LA	Complied with.
The Borrower shall ensure that for all facilities to be constructed, aligned, improved or rehabilitated under the Project, a maintenance plan, including budget, shall be completed prior to the completion of the construction, extension, upgrading or renovation of any such facility. For village link roads and settlement improvements, such maintenance plan shall be included in the partnership agreement to be drawn up between the villagers and SKAA at the appropriate level in the Project Area.	Schedule 6, para 19 – LA.	Partly complied with. For district link roads, O&M is the responsibility of the respective districts; however, no maintenance plan was made part of the partnership agreement with the community of only village where one scheme of settlement improvement work (village link road) was constructed.

Covenant	Reference in Loan Agreement	Status of Compliance
For district link roads constructed, aligned, improved or rehabilitated under the Project, the maintenance mentioned under paragraph 19 of this Schedule shall be the responsibility of the district government office of Works and Services. The annual budget allocation of PRs.20,000 in constant 2002 prices per kilometer, shall be drawn from the road maintenance fund available under the Bank-supported Road Sector Development Program {loan 1893-PAK(SF)}.	Schedule 6, para 20 – LA.	Partly complied with. O&M of district link roads will be responsibility of the respective districts. However, the project did not have access to the maintenance fund supported by Loan 1893-PAK.
The Borrower shall ensure that all efforts shall be undertaken to involve community members in labor intensive works, in which case they shall be paid at least the minimum wage for the road construction sector. The Borrower shall ensure equal pay for men and women for work of equal value as well as the absence of child labor as defined in national legislation.	Schedule 6, para 21 – LA.	Not complied with. No such provisions were made in the contracts for district roads.
The Borrower shall ensure the timely and effective implementation of the Gender Strategy and Plan. (Annexure 1, Schedule 6, LA)	Schedule 6, para 22 – LA.	Not complied with. Since all components of project were not launched, this could not be done.
The Borrower shall ensure that design, extension, upgrading, renovation and operations of facilities under the Project shall follow the Borrower's environmental requirements, the Bank's environmental guidelines for Selected Infrastructure Development Projects, and other relevant Bank guidelines on environment.	Schedule 7, para 24 – LA.	Partially complied with. The project provided for environmental check by the Environment Protection Agency (EPA) of the government. These checks were done by the EPA. Government guidelines were followed. Review of compliance with ADB guidelines is not available.
Within one year of the effective date, the PIOs in consultation with the PCU, the Project Management Consultant and the lead NGOs shall have established a Project Performance Management System in each district.	Schedule 6, para 26 – LA.	Not complied with. Since the lead NGOs could not be recruited, the PPMS could not be developed.
Within six months of the Effective Date, the PCU, PIOs, SKAA, and lead NGOs shall have developed criteria for monitoring Project impact. These criteria shall include Poverty mapping and shall be gender segregated. The initial survey shall be completed within one year of the Effective Date. The impact indicators shall be reassessed at the time of mid-term evaluation and on Project completion.	Schedule 6, para 27 – LA.	Not complied with (for the same reason as stated above).
The Borrower shall ensure that all Bank-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the	Schedule 5, para 7 – LA	Not complied with. No such clauses were incorporated in the contracts.

Covenant	Reference in Loan Agreement	Status of Compliance
consulting services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.		
The Project Steering Committee (PSC) shall meet whenever necessary but not less than quarterly during the first two years of Project Implementation and semi-annually thereafter in conjunction with the Bank's review missions.	Schedule 6, para 3 – LA	Partially complied with. Project steering committee meetings were held but not as frequent as required under this covenant.
The Borrower shall take all necessary and appropriate measures to ensure that within one year of the effective date all tapedar and supervisory tapedar positions in the Project Area have been filled.	Schedule 6, para 9 – LA.	<b>Not complied with.</b> A large number of positions remained vacant throughout the project period.
Within three years of the Effective Date, the BOR shall have completed a new land survey in the Project Area, reflected in accurate land record which shall include but not be limited to Field books and Village Form VII, currently in use.	Schedule 6, para 10 – LA.	Partly complied with.
The Borrower shall take all necessary and appropriate measures to encourage organizations in the Project area to apply for funds from the Legal Empowerment Fund (LEF), a subfund of the Access to Justice Development Fund established under the Borrower's Access to Justice Program. The Borrower shall organize or cause to be organized at least once a year in orientation session for civil society organizations in the Project area on opportunities under LEF.	Schedule 6, para 9 – LA.	Not complied with.  This component could not be launched in the absence of the lead NGOs.
The Borrower shall take all necessary and appropriate measures to facilitate access of the civil society monitors to public documents relevant to the Project. This includes, but is not limited to, land records in particular Field books and Village Forms, record on issuance of NICs by the National Database and Registration Authority, and records on issuance of propriety rights (Sanads) by BOR. ON the basis of field monitoring, the rights monitoring organization shall prepare and submit a quarterly report to the PCU in a format agreed between the PCU, the rights monitoring organization and the Bank. The rights monitoring organization and their reporting system shall be subject to prior approval by the Bank.	Schedule 6, para 10 – LA.	Not complied with. The rights monitoring organization could not be recruited.
The Borrower shall cause the Project Executing Agency to carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial, engineering, environmental, rural development, gender, and	Article IV, Section 4.01 (a) – Loan Agreement (LA)	Not complied with.  PCU has done a number of severe violations of established rules and sound

Covenant	Reference in Loan Agreement	Status of Compliance
governance practices.		practices in carrying out different activities. A few examples are (i) huge cash payments were made to the international consultant, (ii) procurement of extremely sub-standard quality furniture for project offices, and (iii) very poor record keeping, particularly no contract ledgers and general ledgers were maintained.
The Borrower shall make available to the Project Executive Agency, promptly as needed, the funds, facilities, services, land and other resources which are required, in addition to the proceeds of the Loan, for the carrying out of the Project.	Article IV, Section 4.02 – LA.	Complied with.
The Borrower shall ensure that the activities of the Project Executing Agency and any of its other departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.	Article IV, Section 4.03 – LA	Partly complied with.
The Borrower shall furnish, or cause to be furnished, to the Bank all such reports and information as the Bank shall reasonably request concerning (i) the Loan, and the expenditure of the proceeds and maintenance of the service thereof; (ii) the goods, services and other items of expenditure financed out of the proceeds of the Loan; (iii) the Project; (iv) the administration, operation and financial condition of the Project Executive Agency and any other agencies of the Borrower responsible for the carrying out of the Project and operation of the Project facilities, or any part thereof; (v) financial and economic conditions in the territory of the Borrower and the international balance-of-payments position of the Borrower; and (vi) any other matters relating to the purposes of the Loan.	Article I, Section 4.04 – LA.	Partly complied with. Getting information from the executing agency has always been a difficult task.
The Borrower shall enable the Bank's representatives to inspect the Project, the goods financed out of the proceeds of the Loan, and any relevant records and documents.	Article IV, Section 4.05 – LA.	Complied with.
The Borrower shall take all actions which shall be necessary on its part to enable the Project Executing Agency to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.	Article IV, Section 4.06 – LA.	Not complied with. The project lacked borrower's ownership. That is why the project could not go through as envisaged and had to be closed prematurely.

Covenant	Reference in Loan Agreement	Status of Compliance
Except as Bank may otherwise agree, all goods and services to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Schedule 4 and Schedule 5 of this Loan Agreement. The Bank may refuse to finance a contract where goods or services have not been procured under procedures substantially in accordance with those agreed between the Borrower and the Bank or where the terms and conditions of the contract are not satisfactory to the Bank.	Article III, Section 3.03 – LA.	Complied with.
Except as the Bank may otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.	Article III, Section 3.04 – LA	Not complied with. Many of the project vehicles were used by minister, officials of local government secretariat, and the District Coordination Officers of project districts for private use.
The Project Executing Agency shall carry out the Project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to the Bank. The Project Executing Agency shall furnish, or cause to be furnished, to the Bank, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material modifications subsequently made therein, in such detail as the Bank shall reasonably request.	Article II, Section 2.04 – Project Agreement (PA)	Complied with.
The Project Executing Agency shall take out and maintain with responsible insurers, or make other arrangements satisfactory to the Bank for, insurance of the Project facilities to such extent and against such risks and in such amounts as shall be consistent with sound practices.	Article II, Section 2.05 (a) – PA.	Not complied with. The project vehicles and other equipment were not insured.
Without limiting the generality of the foregoing, the Project Executing Agency undertakes to insure, or cause to be insured, the goods to be imported for the Project and to be financed out of the proceeds of the Loan against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such goods.	Article II, Section 2.05 (b) – PA.	Complied with.
The Project Executing Agency shall furnish to the Bank quarterly reports on the execution of the Project and on the operation and management of the Project facilities. Such reports shall be submitted in such form and in such detail and within such a period as the Bank shall reasonably request, and shall indicate, among other things, progress	Article II, Section 2.08 (b) – PA.	Not complied with.  No quarterly report in appropriate format were ever been provided by the executing agency throughout the project period.

Covenant	Reference in Loan Agreement	Status of Compliance
made and problems encountered during the quarter under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following quarter.		
The Project Executing Agency shall (i) maintain separate accounts for the Project and for its overall operations; (ii) have such accounts and related financial statements (balance sheet, statement of income and expenses, and related statements) audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to the Bank; and (iii) furnish to the Bank, promptly after their preparation but in any event not later than 9 months after the close of the fiscal year to which they relate, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the covenants of the Loan Agreement as well as on the use of the procedures for the imprest account, imprest sub-account and the statement of the expenditures, all in the English language. The Project Executing Agency shall furnish to the Bank such further information concerning such accounts and financial statements and the audit thereof as the Bank shall from time to time reasonably request.	Article II, Section 2.09 (a) – PA.	Complied with.
The EA shall enable the Bank representative to inspect the Project, the goods financed out of Loan's proceeds, and any relevant records/ documents.	Article II, Section 2.10 – PA.	Complied with.

**SUMMARY OF UTILIZATION OF CONSULTING SERVICES INPUTS**  
(person-months)

Discipline	As appraised			As Revised			As Completed		
	Intl.	National	Total	Intl.	National	Total	Intl.	National	Total
1 Project Management Support	15	-	<b>15</b>	5	-	<b>5</b>	4	-	<b>4</b>
2 Legal Specialist	2	8	<b>10</b>	-	8	<b>8</b>	-	-	-
3 Media Specialist	-	4	<b>4</b>	-	4	<b>4</b>	-	-	-
4 Accountant	-	6	<b>6</b>	-	6	<b>6</b>	-	-	-
5 Para Profesional Training Specialists	-	8	<b>8</b>	-	8	<b>8</b>	-	-	-
6 STA Review Consultant - Grievance	-	4	<b>4</b>	-	4	<b>4</b>	-	-	-
7 Rights Monitoring Specialists	2	11	<b>13</b>	-	11	<b>11</b>	-	-	-
8 Institutional Speciliast	4	64	<b>68</b>	-	60	<b>60</b>	-	19	<b>19</b>
9 Adults Literacy Specialist	-	7	<b>7</b>	-	7	<b>7</b>	-	-	-
10 Agricultural Training Specialist	-	8	<b>8</b>	-	8	<b>8</b>	-	-	-
11 Home Economics Specilaist	4	6	<b>10</b>	-	-	-	-	-	-
12 Civil Engineers	-	132	<b>132</b>	-	48	<b>48</b>	-	20	<b>20</b>
13 Gender Specliast	-	276	<b>276</b>	-	240	<b>240</b>	-	6	<b>6</b>
<b>Total</b>	<b>27</b>	<b>534</b>	<b>561</b>	<b>5</b>	<b>404</b>	<b>409</b>	<b>4</b>	<b>45</b>	<b>49</b>

– = zero, Intl. = international.

Source: ADB Project Completion Review Mission, 3–15 March 2008

## PERFORMANCE RATING SUMMARY

**Table A6.1: Overall Rating**

Criteria	Assessment	Rating (0–3)	Weight (%)	Weighted Rating
Relevance	Partly relevant	1	20	0.2
Effectiveness	Ineffective	0	30	0.0
Efficiency	Less efficient	1	30	0.3
Sustainability	Unlikely	0	20	0
<b>Overall Rating</b>	<b>Unsuccessful</b>		<b>100</b>	<b>0.5</b>

Source: Asian Development Bank.

**Table A6.2: Rating System**

Rating Value	Relevance	Effectiveness	Efficiency	Sustainability
3	Highly relevant	Highly effective	Highly efficient	Most likely
2	Relevant	Effective	Efficient	Likely
1	Partly relevant	Less effective	Less efficient	Less likely
0	Irrelevant	Ineffective	Inefficient	Unlikely

**Overall weighted rating:**

Greater than 2.7	=	Highly successful
From 1.6 to 2.7	=	Successful
From 0.8 to 1.5	=	Partly successful
Less than 0.8	=	Unsuccessful

Source: Asian Development Bank.