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PROJECT EVALUATION

Islamic Republic of Pakistan

Dir Area Support Project

Completion Evaluation

July 2008

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Document of the
International Fund for Agricultural Development

Islamic Republic of Pakistan

Dir Area Support Project

Completion Evaluation

July 2008
Report No. 1993-PK

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Photo on cover page:
Furniture shop in DIR
Source: Ernst Schaltegger

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ANNEXES *

* Annexes are available from IFAD's Office of Evaluation (evaluation@ifad.org)

Abbreviations and Acronyms

ADB	Asian Development Bank
AI	Artificial insemination
AKRSP	Aga Khan Rural Support Project
APS	Asia and Pacific Strategy of IFAD
ARRI	Annual Report on Results and Impact of IFAD Operations Evaluated
BOK	Bank of Khyber
CBO	Community Based Organisation
CCB	Community Citizens Board
CCRI	Cereal Crops Research Institute
CDF	Community Development Fund
CDS	Community Development Section (of the PMU)
CEW	Community Extension Worker
CI	Cooperating Institution
CLW	Community Livestock Worker
CO	Community Organisation
COSOP	Country Strategic Opportunities Paper
CPM	Country Programme Manager
CSR	Composite Schedule of Rates
CWP	Country Working Paper
DASP	Dir Area Support Project
DLDD	Department of Livestock and Dairy Development
DOA	Department of Agriculture
DOAE	Department of Agricultural Extension
DOF	Department of Forestry
EVEREST	Evaluation of the IFAD Regional Strategy in Asia and the Pacific
F-1	First filial generation after crossing
FATA	Federally Administered Tribal Area
GDP	Gross Domestic Product
GONWFP	Government of North West Frontier Province
GOP	Government of Pakistan
ha	Hectare
IFAD	International Fund for Agricultural Development
LD	Line Department
LDD	Livestock and Dairy Development
MDG	Millennium Development Goals
MIS	Management Information System
MT	Metric Ton
MTR	Mid-Term Review
NGO	Non-Governmental Organisation
NRM	Natural Resource Management
NWFP	North-West Frontier Province
O&M	Operation and Maintenance
OE	Operations Evaluation
OFWMD	On-Farm Water Management Department
OSC	Operational Strategy Committee
PC-I	Planning Commission I (official planning document of GOP)

P&D	Planning and Development Department of GONWFP
PHMP	Pak-Holland Metal Project
PKR	Pakistani Rupee
PI	Asia and the Pacific Division (IFAD)
PM	Project Manager
PMU	Project Management Unit
PPP	Purchase Power Parity
PRSP	Poverty Reduction Strategy Paper
RCC	Reinforced cement concrete
RDD	Rural Development Department
RRA	Rapid Rural Appraisal
SDU	Special Development Unit
SMEDA	Small and Medium Enterprise Development Authority
SO	Social Organiser
SOU	Social Organisation Unit
SWC	Soil and Water Conservation
TAG	Technical Assistance Grant
Tehsil	Sub-district administrative unit
TNSM	Movement to Enforce Shariat Law
UNOPS	United Nations Office for Project Services
VLW	Village Livestock Worker
VO	Village Organisation
WID	Women-in-Development
WLW	Woman Livestock Worker
WO	Women's Organisation

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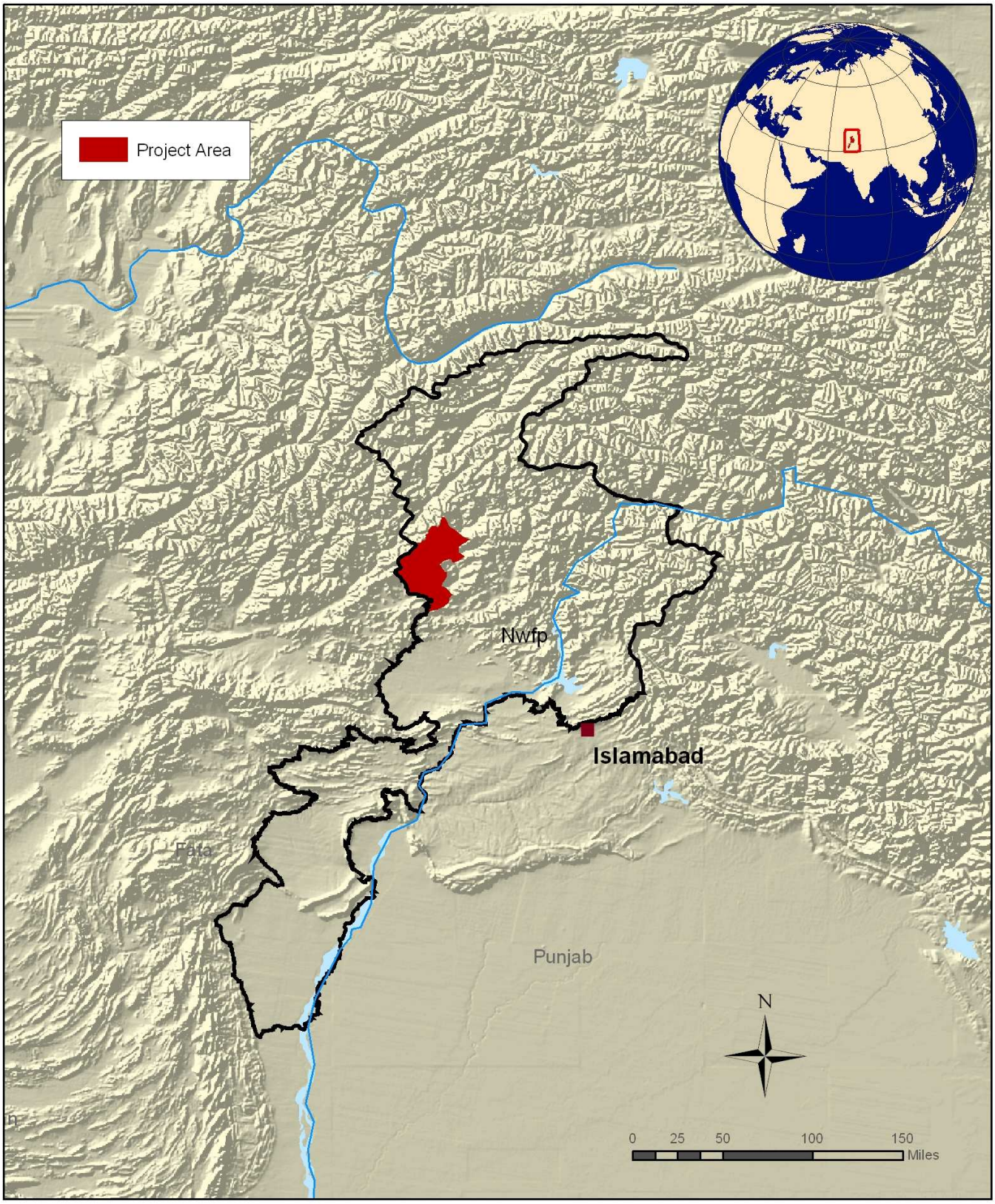

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

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Map compiled by IFAD

FOREWORD

The Dir Area Support Project (DASP) was designed as a multi-sector and multi-stakeholder area support project aiming at rural poverty alleviation. The most distinct feature of the project is its explicit reliance on village and women's organisations that serve as launching pads for a multitude of activities related to agriculture and livestock development, social forestry and soil and water conservation, village and irrigation infrastructure as well as roads, and off-farm employment generation. This completion evaluation of DASP was implemented one year prior to project completion, which is a peculiarity that may facilitate an orderly phasing-out of the external support.

The design of the DASP was relevant to the needs of the poor in the project area as the component mix chosen indeed did address causes of poverty. However, the project's design was not entirely consistent and also underestimated the requirements for a more focused implementation support in a difficult environment.

The DASP was and still is in a position to generate the planned outputs and has already achieved the objectives of increased agricultural production, off-farm employment generation, better market access and improved status of women. Thus, the project is rated as effective while efficiency is constrained by the absence of systematic record keeping and methodologically sound impact assessments.

The DASP was successful in attaining the expected poverty reduction impacts in practically all impact domains. In this respect, the formation of human assets, social capital and empowerment is particularly noteworthy. This remarkable achievement is in stark contrast to the prospect of sustainability, which is at risk with the exception of the off-farm employment generated by the project. Moreover, the DASP has produced little replicable and up-scalable innovation, not due to the lack of innovation as such, but due to the failure to generate intangibles that would have allowed the documentation and dissemination of good practice.

For IFAD, the outcome of the DASP completion evaluation points to both familiar concerns and future challenges. The DASP is not the only example of an effective project capable of generating poverty reduction impacts, but at the same time with a structural lack of assured sustainability. The challenge lying ahead, for IFAD and its partners, consists of finding more solid and common ground for designing and implementing projects with credible perspectives of sustainability.

This completion evaluation report includes an Agreement at Completion Point, which summarizes the main findings of the evaluation and sets out the recommendations that were discussed and agreed upon by IFAD and the Government of Pakistan and of North West Frontier Province, together with proposals as to how and by whom the recommendations should be implemented.

Luciano Lavizzari
Director, Office of Evaluation

Islamic Republic of Pakistan

Dir Area Support Project

Completion Evaluation

Executive Summary

I. INTRODUCTION

1. **Evaluation objectives and procedures.** The Office of Evaluation (OE) of IFAD undertook a Completion Evaluation of the Dir Area Support Project (DASP) from 18 June to 9 July 2007 in order to ensure accountability and to offer an overview of good practices and lessons learned for all stakeholders. This Completion Evaluation was carried out ten years after the DASP loan became effective. It is in line with the IFAD evaluation policy and adopts the latest methodology for project evaluations developed by OE. The latter focuses on three dimensions: (i) the performance of the project measured in terms of relevance, effectiveness and efficiency; (ii) the rural poverty reduction impact of the project measured against impact indicators that are grouped according to impact domains; and (iii) the performance of IFAD and its partners. The evaluation has also assessed the contribution of the project to IFAD's involvement in policy dialogue, the building of partnerships, knowledge management and the promotion of innovations for replication and up-scaling. In addition, the evaluation has considered the sustainability of project outcomes and impacts and gender equity as a cross-cutting issue.

2. The evaluation was cognisant of the fact that the project, after having been extended twice, is still ongoing. The DASP evaluation is expected to generate important inputs for the Pakistan Country Programme Evaluation which is also undertaken by OE in 2007. The Completion Evaluation took place from 18 June to 9 July 2007, with a wrap-up meeting in Peshawar held on 9 July 2007 to which all major stakeholders were invited.

3. **The economy, population and poverty issues.** Pakistan showed high economic growth in recent years (6.6 per cent in 2006). By contributing 22.3 per cent to Pakistan's GDP, the agricultural sector was the second largest sector in 2006. Official estimates put the population of Pakistan at 156.9 m in the same year, with over 65 per cent of the country's population living in rural areas. In 2005, Pakistan still ranked among the poorest quarter of the world's countries with a per capita GDP based on purchasing power parity (PPP) of only international US$2 per day. Poverty in Pakistan is still predominantly a rural phenomenon with both the headcount rate of poverty as well as the poverty gap being higher in rural than in urban areas. The high economic growth rates and a significant increase in pro-poor public expenditure have had a positive impact on poverty reduction with consumption poverty (measured by the national poverty line) falling from 34.5 per cent in 2001 to 23.9 per cent in 2005. A vast majority of the poor are small landowners, sharecropping tenants, and landless labourers. Causes for rural poverty are related to numerous development constraints, which include: inefficiencies in rural service delivery, inadequate infrastructure such as irrigation, drainage, rural roads, farm commodity markets, warehouses and cold storage facilities; lack of compliance with tenancy laws; limited rural financial markets; and a lack of incentives for the private sector to set up new agribusinesses and enterprises.

4. **IFAD's strategy in Pakistan.** The Country Strategic Opportunities Paper (COSOP) of 2003 puts the main emphasis on: (i) marginal and resource-poor geographical areas; (ii) an institutional framework permitting target group influence and project interventions in support of poverty alleviation activities; (iii) the development and dissemination of technology suitable to be adopted by poor people; (iv) complementarity of rural infrastructure development in area based projects; and (v) the need for employment generation.

5. **The project.** The project area covers the central and western part of the districts Upper Dir and Lower Dir, which are located in the north-west of the North Western Frontier Province (NWFP). At the time of project identification, the seven *tehsils* in the project area contained about 700 000 persons which equalled 60 per cent of the total district population. The overall goal of the project is to reduce poverty in the project area by increasing farm and off-farm incomes. The project's objectives as mentioned in the Appraisal Report are five-fold. It aims to (i) boost agricultural production and incomes of populations living in poverty; (ii) establish and strengthen community organisations as the institutions through which technical and social services can be provided to IFAD's target group on a sustainable basis; (iii) improve the status of women by targeting them for special attention in a culturally acceptable manner, including the provision of support to income generating activities; (iv) improve market access hence marketing to/from rural communities through the improvement of provincial and feeder roads; and (v) increase opportunities for on-farm and off-farm employment in the project area.

6. The project loan was approved on 11 September 1996 and signed on 21 November 1996. It became effective on 15 April 1997. However, project implementation started in 1999 only because staff recruitment proved to be difficult in a relatively remote area. Total project costs were estimated at US$25.37 million. The project is financed by an IFAD loan of US$16.5 million which covers about 65 per cent of costs including contingencies. The Government of Pakistan's (GOP) contribution amounts to US$5.95 million while the share of the beneficiaries amount to US$2.55 million or 10 per cent of total project costs. By January 2007, 79.9 per cent of the loan had been disbursed. The DASP completion has been extended twice. While the original loan closing was 30 September 2004, it has been initially extended to 31 December 2006, and eventually to 31 December 2008. The DASP is not an exception in this regard as all projects in the Pakistan portfolio have been extended.

II. PROJECT PERFORMANCE

7. **Design features.** When the DASP was formulated, IFAD had a written country strategy for Pakistan. When comparing the design of the DASP with the then valid strategy, it appears that both match to a considerable extent. This assessment does not fundamentally change when the DASP design is revisited ex-post with regards to the more recent COSOP of 2003. Painstaking surveys and research in a hitherto unknown environment devoid of comprehensive statistics had to be undertaken in order to culminate in the Formulation and Appraisal Reports, which provide evidence of this effort. However, the logical framework is not completely consistent per se and partly contradictory to the goal and objectives stated in the text, the indicators defined are somewhat arbitrary and not entirely relevant, and many assumptions refer to internal factors, under the control of the project, rather than to genuine external factors. Another design shortcoming of the DASP is that it failed anticipating foreseeable implementation weaknesses, and that it therefore did not put enough emphasis on adequate implementation support.

8. The DASP made a design shift in the short period between project formulation and the Appraisal Document (March and October 1996, respectively). While in the Formulation Report the approach strategy was based on an appropriate NGO for the selection and the support of village and women' organisations (VOs and WOs, respectively), in the Appraisal Report these key functions were foreseen to be implemented via the Project Management Unit (PMU). This shift is noteworthy because the Operational Strategy Committee (OSC) of IFAD placed explicit emphasis on arrangements for NGO participation, in particular on the respective roles and mechanisms of collaboration between the NGO, the planned village organisations and the traditional village decision making systems. In hindsight, the shift to direct PMU implementation proved to be beneficial in view of the partly resentful anti-NGO campaign that emerged around the year 2002 and is still pervasively felt today.

9. **Community and women's development**. The expected outputs of the Community and Women's Development component are: (i) to establish VOs and WOs, (ii) to organize interventions of line departments such as extension, training, irrigation improvement etc. so that the VOs and WOs are the primary means of achieving community development in general, and women's development in particular; and (iii) to provide for the sustainability of the VOs and WOs after project completion. As of 30 June 2007 - one year to project completion on 30 June 2008 – the DASP has formed a total of

700 VOs and 265 WOs, against original targets of 400 and 100, respectively. The force behind the Community Based Organisations (CBOs) formed is not only their individual membership (20 084 men in VOs, and 4 821 women in WOs), but potentially also their accumulated savings of VOs of PKR 10.02 m, with an average of PKR 500 per VO member, and savings of WOs amounting to PKR 1.38 m or an average close to PKR 300 per WO member. Such savings are presently only a potential for meaningful development activities as the amount per capita is very small, especially in WOs. As it appears, the rapid and successful build-up of VOs and WOs prevented the project from focusing on their consolidation. They are still fragile constructs and require further systematic support to enable them to function as launching pads for continued development progress in their communities.

10. **Agricultural development.** This component is the one with the highest number of line agencies involved. It includes three sub-components: (i) crops development encompassing adaptive research, demonstrations and extension in topics such as food grains, fruits, vegetables, soil and water conservation and social forestry, (ii) livestock development consisting of artificial insemination facilities and services, and training and extension in animal health and husbandry, and (iii) irrigation development focusing on the upgrading and rehabilitation of small-scale irrigation schemes.

11. In crop development, all training modules implemented by the line departments, in favour of male and female Community Extension Workers, seed producers and input dealers have overshot the targets, benefiting some 4 600 persons. Demonstration plots were laid out on close to 500 ha, and food grain seed was multiplied by farmer from basic high quality stock, that is now sufficient for covering 70-100 per cent of the cereal area of Lower and Upper Dir. On the negative side, the adaptive research trials conducted under the DASP were made in isolation from the Department of Agricultural Extension (DOAE), resulting in a dead end before reaching extension maturity. Another serious shortcoming is that the DOAE did not keep systematic records of demonstration plots and technology adoption patterns. These are substantial flaws in a modern extension set-up. On the other hand, soil and water conservation and social forestry outputs fare comparatively better. The various soil and water conservation measures are carried out with a cost sharing of 50 per cent by the community organisations and have so far claimed 460 ha of new rainfed area for 2 500 households. In social forestry, it is noteworthy that 250 female nursery operators have produced 900 000 saplings serving more than 3 000 ha of newly afforested area.

12. Livestock development activities have generated to date 6 000 improved female cattle and buffalo offspring through artificial insemination, albeit at conception rates that are still far from being satisfactory (30-55 per cent). Some 900 Community Livestock Workers – of which close to 400 are female – have been trained. They are now offering their services in their communities on a fee basis. Hundreds of vaccination and de-worming campaigns, as well as animal health and feeding demonstrations were carried out. However, and not unlike to agricultural extension, no systematic records on demonstration details, inputs, outputs and final adoptions are available.

13. The irrigation sub-component has helped rehabilitating or upgrading 5 500 ha, as per target, and resulted in 750 ha newly claimed land. Cropping intensities went up by 100 per cent on average, in comparison with the pre-project situation. In total, more than 6 000 households are beneficiaries of the irrigation sub-component, meaning that each household has on average increased its irrigated command area by 0.125 ha. This is significant for smallholders that own less than one ha of total arable land.

14. **Provincial and feeder roads.** The project initially provided for 45 km of provincial roads. It was revised in June 2004 to include improvement and black topping of 100 km of roads in Lower Dir area and the construction of 60 km of shingle roads in Upper Dir. Provincial roads were reduced from 45 to 41 km and completed in 2002. This road section shows signs of massive damage. There is on-site evidence that inappropriate design of box culverts and deficient protection and drainage structures, especially in slide prone areas, are the cause of these problems. The files at the Works and Services Department are devoid of most state-of-the-art technical documents that are normally required to build roads. It appears that there was a blind replication of some standard designs without giving consideration to local conditions. In the feeder road sub-component, contractor services are provided

by the VOs, which are awarded the work based on average tender rates. The land for the roads is provided by the communities as their contribution. Implementation quality compares well with similar roads constructed by contractors. It is likely that the 300 km of planned feeder roads will be completed by June 2008.

15. **Employment generation.** The employment generation component of DASP includes three sub-components, i.e. (i) micro-enterprise promotion, (ii) promotion of income generating activities and (iii) technical training and apprenticeships of unemployed youth. The micro-enterprise promotion targeted either prospective or existing micro-enterprises and focused on enterprise development, business and technical skills related training modules, covering a total of 875 persons or 98 per cent of the target. The promotion of income generating activities differentiates between male and female clients. In terms of persons trained, 61 per cent is female, benefiting in total 2 000 persons. The technical training and apprenticeship sub-component is the one with the most quantitative client outreach. Over 3 600 persons underwent formal training with durations between 140 to 520 days. Close to one third of trainees are women, and a particularly visible highlight is the female medical technicians training involving 125 persons. Thus, this component has generated highly tangible outputs by responding to real demand for new employment opportunities.

16. **Relevance, effectiveness and efficiency.** Regarding relevance and considering the pace of VO and WO formation, the effective commitment and multiple activities carried out, it is obvious that the DASP has found visible and vivid response to the array of changes proposed to the CBOs, which can be perceived as a good proxy for relevance. The component mix has drawn on experience from other projects and corresponds to established strategies. It addresses causes of rural poverty and is consistent with the COSOP and the Poverty Reduction Strategy Paper (PRSP) of the Government of Pakistan. Regarding effectiveness, it is fair to conclude that the key project outcomes have been attained on the whole. Agricultural and livestock production have indeed been boosted, and the DASP has been very effective in employment generation. Income increase, the only indicator related to improved status of women in the logical framework, may have reached 1 500 women at least. Market access due to the construction of provincial and feeder roads has been improved undoubtedly for more than 50 000 households. In terms of efficiency, project outputs have been generated at comparatively low cost against the achievement of physical targets, which may come close to 100 per cent or above in most of the components by June 2008. In foreign currency equivalents, and strictly related to quantitative outputs versus costs, the project has achieved more with the same funds over a project life extended by close to 60 per cent. Good efficiency (and transparency) indicators are the costs calculated for training day and person by the Employment Generation Unit of PMU, which should become good practice for all training activities of the project. On the other hand, flawed monitoring and impact assessment methodologies make it impossible to verify, in precise terms, whether the internal economic rate of return (IERR), calculated at appraisal, has been achieved.

17. **Performance of IFAD and its partners.** The performance rating conducted for IFAD, GONWFP, UNOPS as the cooperating institution, the GONWFP staff of PMU and the participating village organisations reveals that all project partners have performed at less than a satisfactory rate, with the exception of the PMU staff and the target population, which fare comparatively - and slightly - better. The main problem related to performance appears to be the lack of attention to implementation support, which would have attenuated deficient construction and methodological quality issues. With a project cost outlay of US$25 m, more focused assistance would have been a good investment in terms of quality control and durability of project outcomes and impacts.

III. IMPACTS

18. **Targeting and outreach.** The project has followed the targeting criteria proposed by the Appraisal Report, and these criteria were also applied before reaching a selection decision. The mission's visits to both a dozen VOs and WOs suggest that not all households are poor according to the landholding threshold of one ha or less of the Appraisal Report. When considering that the number of farm households with land holdings under one ha has practically doubled in the project area between 1990 and 2005, mostly by hereditary partition, there is a natural propensity of having progressively more landholdings that fit into the poverty definition of the DASP. Due to this fact, and

also acknowledging the project's commonsense and drive for socially acceptable inclusiveness, the poor have been reached in an effective way with the project reaching out to 24 800 VO and WO households against a target of 14 500.

19. **Rural poverty reduction impacts.** Taking together the nine defined impact domains of rural poverty reduction, the mission concludes that the project indeed is contributing to alleviate rural poverty in practically all impact domains that were relevant to the project as per design and component mix chosen. Although remittances from abroad appear to remain important contributors to household income, the outcomes and impacts of the DASP are significant. Many of the observed poverty reduction impacts can be directly attributed to the project. Two villages that chose not to collaborate with the DASP – despite being eligible on the basis of their respective poverty profiles – are today devoid of basis infrastructure and not served by line agencies. Another observation angle related to project impact was offered by drawings prepared by VOs and WOs, depicting their respective villages at three different points in time: (i) before the start of the DASP, (ii) at present and (iii) in some years from now. The collected drawings represent perceived change and future aspirations in a pattern fairly congruent with dimensions of poverty in general, and with the project approach and component mix in particular.

20. **Sustainability and ownership.** The principal driver of sustainability is the strong sense of ownership that becomes evident when analysing the performance of VOs and WOs. In their own words, *there is no going back to the time before the DASP when their communities were unorganised and left alone*. The fact that most interventions require own contributions in cash and kind, ranging from 20 per cent to 50 per cent, is another factor of sustainability. The sense of ownership is particularly strong among WO members. The 4 800 organized women at present achieved this impressive result with many personal sacrifices. However, the VOs are still far from a status of maturity that would allow them to go ahead unaccompanied. Especially in terms of management of their financial assets and of credit allocation, both the VOs and WOs have to make more progress. Non-farm employment created, thanks to the DASP, has a good perspective of sustainability. The rapid growth of the clusters, including hundreds of enterprises and thousands of jobs generated, is a driver of its own for further development, which does not critically depend on an intensive coaching after completion of the DASP. Regarding on-farm employment and its potential of generating corresponding income, much will depend on the future intensity of support by line agencies. The mission observed at various instances that the sustainability of the roads constructed under the project, particularly provincial roads, are a cause for concern. Apart from deficient quality at completion, maintenance is presently not assured.

21. **Innovation, replicability and scaling-up.** The skilful adaptation of the CBO-based approach strategy to a difficult context can be considered as innovative. However, an issue of concern is the perceived lack of consideration for intangibles. One typical example is the apparently successful implementation of 3 000 demonstration plots and events for crop and livestock development. These demonstrations would have been an outstanding opportunity to generate and manage knowledge if only the responsible extension agents had recorded the basic parameters of the demonstration plot and events, such as locations, dates, description of farmer and improved technologies, and comparative yields obtained. There are virtually no records available from the concerned line department in this respect. The roads component also could have been a source of good practice for design and construction in difficult mountain environments. With the generalised absence of design data and environmental impact consideration, there is no opportunity to replicate and up-scale the art of road construction and upgrading in favour of similar projects.

IV. CONCLUSIONS AND RECOMMENDATIONS

22. **Conclusions.** The table below provides an overview of DASP's performance. The ratings used for this purposes are based on the following six-point scale: 6 = highly satisfactory; 5 = satisfactory; 4 = moderately satisfactory; 3 = moderately unsatisfactory; 2 = unsatisfactory; 1 = highly unsatisfactory. The project fares relatively well with regards to relevance, effectiveness, efficiency and rural poverty reduction impacts while the performance of partners, sustainability, innovation, replicability and

scaling-up are moderately unsatisfactory. Hence, the project is rated as moderately satisfactory despite a difficult context, but it failed to address foreseeable and basically correctable flaws.

Rating Summary

Evaluation Criteria	Ratings
Relevance	4
Effectiveness	5
Efficiency	4
Project Performance */	**4.33**
Impact	5
Sustainability	3
Innovation, Replication and Scaling-Up	3
Overall Project Achievement **/	**4**
Performance of IFAD	3
Performance of CI	3
Performance of Government	3

Source: IFAD evaluation mission 2007

*/ Calculated as the average of relevance, effectiveness and efficiency.

**/ Determined based on the ratings for relevance, effectiveness, efficiency, impact, sustainability, innovation, replication and up-scaling.

23. Outreach can be considered satisfactory due to the higher than anticipated number of participating households, i.e. 14 500 at appraisal versus 20 000 and 4 800 VO and WO members to date. The distribution of benefits is widespread, because of the multiple interventions that affect many households that are not necessarily VO and WO members, such as market access, social forestry and watershed management, soil and water conservation and the various irrigation schemes. Gender impact may seem modest by general standards, but considering the still prevailing conservative outlook of Pukthun society, the impact achieved is respectable. In general terms, the DASP has contributed in attaining IFAD's strategic objectives, notwithstanding some reservations made mainly by EVEREST (see paragraph 25).

24. Summing up the conclusions, the completion evaluation of the DASP teaches the following lessons:

(i) It is possible to design and implement multi-sectoral and multi-stakeholder area support projects in difficult environments and that such projects can be effective, like the DASP.

(ii) However, the complexity of the design and the implementation modalities, including monitoring and evaluation, were not met by adequate technical and methodological support by IFAD, the CI and GONWFP. Many implementation and quality flaws could have been avoided by more awareness and pro-active interventions in this respect. The major lesson learnt is that conceptually ambitious and complex undertakings cannot be left to business as usual; they require a form of focused coaching.

(iii) The fundamental working hypothesis that development must be owned by the people who are affected by change has been confirmed. The overwhelming response of the rural population to organisational forms that were not part of their traditional life provides evidence of the correctness of this working hypothesis. In only ten years, the *Jirgas* have been transformed from rather exclusive councils of village elders into rejuvenated and broad-based VOs. At the same time, women were allowed to step out of their invisibility and to form WOs. Both are remarkable achievements in a conservative rural society.

(iv) Consequently, VOs and WOs have become launching pads for multiple development activities, which would not have been possible without their existence.

(v) Due to the relative void of intangibles generated by the project, policy dialogue was almost impossible. IFAD should have put more effort in policy dialogue, which however requires better knowledge management and documentation of good practice in the first place.

(vi) For IFAD, this means that its ambition of being a centre of excellence for rural poverty alleviation may not have been lived up to sufficiently in relation with the DASP. The fact that IFAD is hardly perceived as the leading steward of rural development and poverty alleviation in Pakistan may point to a deficiency going beyond the DASP.

25. **Recommendations.** The first set of recommendations refers to the remaining project life, and is addressed to GONWFP and the PMU. The main purpose is to assure an adequate consolidation of all components and address correctable weaknesses, such as establishing a sound monitoring basis for project completion.

26. The second set of recommendations aims at facilitating an adequate coaching of the project by future supervision and project completion missions. In this framework, the mission recommends, in a third set of recommendations, that IFAD and GONWFP engage in consultations on the post-project threshold levels of financial inputs into the two districts and measures that improve line department performance.

27. Finally, the mission recommends to IFAD and GOP to explore new project completion modalities for complex and multi-stakeholder projects in order to mitigate donor withdrawal symptoms. In this context, the set-up of a *Phasing-out Facility* is proposed.

Islamic Republic of Pakistan

Dir Area Support Project

Completion Evaluation

Agreement at Completion Point

A. Introduction

1. In 2007, IFAD's Office of Evaluation (OE) conducted a project completion evaluation of the Dir Area Support Project (DASP). This was the first evaluation by OE of an IFAD-funded project in Pakistan for ten years. Its results were supposed to also inform the Pakistan Country Programme Evaluation (CPE), which OE is also conducting in 2007/8.

2. In November 2007, a multi-stakeholder workshop was held in Peshawar to discuss the main results of the evaluation, as well as to provide inputs for the preparation of its Agreement at Completion Point (ACP). The latter represents an agreement by IFAD (represented by the Asia and Pacific Division) and the Government of Pakistan (represented by the Economic Affairs Division in the Ministry of Economic Affairs and Statistics and the Government of North West Frontier Province (GONWFP)) of the key evaluation findings and recommendations, proposals to implement them and a commitment to act upon them. Section B of this ACP summarises the main evaluation findings, section C contains the recommendations that were agreed to be implemented, whereas section D refers to recommendations originally formulated by the evaluation team but not found acceptable by some of the partners.

B. Main Evaluation Findings

3. Overall, the DASP is rated as moderately satisfactory, but it presents a picture full of contrasts. It is a project with a relevant design for rural poverty alleviation, having been able to achieve effective implementation with moderate efficiency. However, it did not benefit from the required intensity and quality of supervision and implementation support. In fact, the performance of IFAD and its partners is rated as moderately unsatisfactory on average. In spite of this, the rural poverty reduction impact is satisfactory. However, with the exception of the employment generation activities, sustainability appears to be at risk. Moreover, the lack of knowledge management and a proactive approach to replicating and up-scaling innovations promoted under the DASP represent missed opportunities.

4. The evaluation further showed that it is possible to design and implement multi-sectoral and multi-stakeholder area based projects in difficult environments. Such projects can be effective, as the DASP shows. However, the complexity of the DASP was not met by adequate technical support by IFAD, the Co-operating Institution and the GONWFP. The major lesson learnt is that ambitious design objectives and complex undertakings cannot be left to business as usual, as they require dynamic follow-up.

5. The fundamental working hypothesis that development must be owned by the people who are affected by change has been confirmed. In only ten years, the *Jirgas* have been transformed from rather exclusive councils of village elders into rejuvenated and broad-based Village Organisations (VOs). At the same time, women were allowed to step out and form Women's Organisations (WOs). Both are remarkable achievements in the Dir rural society context.

6. The VOs and WOs have become *launching pads* for multiple development activities, which would not have been possible without their existence. However, due to the relative void of intangibles generated by the project, policy dialogue was close to impossible. IFAD should have put more effort

in policy dialogue, which however requires better knowledge management and documentation of good practice in the first place.

C. Recommendations Agreed upon by All Partners

7. In this section, the ACP workshop participants listed all relevant recommendations deemed acceptable and feasible for implementation, i.e. eight out of the ten recommendations formulated by the evaluation team. The table below shows those accepted recommendations including indications of funding sources, implementation and follow-up responsibilities, and deadlines for delivery.

Recommendations Deemed Acceptable and Feasible

Recommendation	Resources from	Implementation Responsibility	Implementation Deadline	Follow-up Responsibility
1. Encourage VOs and WOs to form more cluster organisations	DASP; until June 2008	PMU	June 2008	PMU, Apex Body, Line Departments
2. Promote the CBO Apex body in concert with the CBOs, and the district and provincial authorities	DASP; until June 2008, possibly with additional resources after this date 1/	PMU, SDU and GONWFP	June 2008 and beyond	SDU
3. Deploy a new round of training and coaching of VOs and WOs aimed at a more pro-active management of internal savings and lending	DASP; until June 2008	PMU	June 2008 (already ongoing)	PMU and Apex Body if resources are available (see 132.(i).(ii)
4. Constantly update the output monitoring databases and the impact monitoring systems where applicable	DASP; until June 2008	PMU, seeking references from other projects, whether IFAD funded or not.	June 2008	SDU and IFAD
5. Envisage a new agricultural and livestock impact study	DASP; until June 2008	PMU and line agencies, with inputs from other similar projects for the terms of reference	June 2008	SDU
6. In concert with all other projects implemented in NWFP, harmonize the staff salary scales.	DASP; until June 2008	DG, SDU, in consultation with Finance Department	June 2008	SDU, EAD, IFAD
7. Assure, for all adaptive agricultural research trials undertaken in the framework of the DASP, an orderly handover to either the CBOs or the DOAE.	DASP; until June 2008	PMU and line agencies	June 2008	PMU and SDU
8. Address quality deficiencies at the level of line departments' recording and quality control routines.	DASP; until June 2008	PMU and line departments, by designing new data collection formats.	June 2008	SDU and IFAD

1/ See Section D below.

8. In addition to the above, workshop participants themselves formulated the following three recommendations: (i) For future projects where IFAD envisages a community development approach, it was recommended that such projects would include a three-year phasing-out stage, (ii) IFAD should explore supporting post-project sustainability through working with financial apex institutions or even possibly trust funds, and (iii) efforts should be made on capacity building of the project in terms of impact monitoring, including by creating linkages with other organisations, and that these measures could be financed with the remaining DASP funds (see also the Table above).

D. Recommendations Originally Formulated by OE but Found non Applicable by Some Partners

9. The recommendations contained in paragraphs 134 and 135 of the evaluation report, regarding the determination of additional funding thresholds by the GONWFP, to the tune of PKR 40 million per year, and regarding a Phasing-out Facility, were not considered feasible under the present circumstances. In order to mitigate project completion stress, but without being able to guarantee approval of post project funding, IFAD invites SDU to submit a proposal for a US$200 000 country grant from IFAD's competitive grant's programme. Such a grant would be administered by a recognized NGO acceptable to IFAD. The SDU agreed to present a respective proposal to IFAD by 31 December 2007. Should the proposal pass successfully through the competitive screening process, these additional resources would be used primarily for the consolidation and strengthening of VOs, WOs, cluster organizations, and especially for the set-up of an Apex Body formed by such CBOs.

Islamic Republic of Pakistan

Dir Area Support Project

Completion Evaluation

Main Report

I. INTRODUCTION

A. Country Background

1. **The economy**. The far-reaching macro-economic and structural reforms that the Government of Pakistan (GOP) initiated in 2001 resulted in high economic growth in recent years (6.6 per cent in 2006). In fact, the 8.6 per cent growth in GDP in 2004 was the highest rate recorded in two decades. However, in 2005, Pakistan still ranked among the poorest quarter of the world's countries with a per capita GDP based on purchasing power parity (PPP) of only international US$2 per day.[1] By contributing 22.3 per cent to Pakistan's GDP the agricultural sector was the second largest sector in 2006 (with manufacturing accounting for 17.5 per cent and services for 52.7 per cent) and generated 42 per cent of employment[2].

2. **Rural development issues.** The key to better productivity in rural areas is the more efficient use of natural resources and a de-concentration of land ownership. As a result of severe depletion of forests, soil erosion, water logging and salinity have increased and caused almost one-third of Pakistan's arable land to be less productive than it could be. Other important constraints include: inefficiencies in rural service delivery, such as extension and research; inadequate infrastructure such as drainage, rural roads, farm commodity markets, warehouses and cold storage facilities; lack of compliance with tenancy laws; limited rural financial markets; a lack of incentives for the private sector to set up new agribusinesses and enterprises due to an outmoded regulatory framework[3].

3. **Demographic data.** Official estimates put the population of Pakistan at 156.9 m in 2006. Over 65 per cent of the country's population live in rural areas. Pakistan's population growth rate has been on a declining trend, from over three per cent per year in the early 1980 to just below two per cent in 2006[4].

4. **Characteristics of rural poverty.** Poverty in Pakistan is still predominantly a rural phenomenon with both the headcount rate of poverty as well as the poverty gap being higher in rural than in urban areas. Rural poverty increased in the 1990s, especially towards the end of that decade[5]. However, in the following years high economic growth rates and a significant increase in pro-poor public expenditure have had a positive impact on poverty reduction with consumption poverty (measured by the national poverty line) falling from 34.5 per cent in 2001 to 23.9 per cent in 2005. A vast majority of the poor are small landowners, sharecropping tenants, and landless labourers. [6]

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[1] GDP per capita based on purchasing power parity (PPP). PPP GDP is gross domestic product converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as the U.S. dollar has in the United States.

[2] Economist Intelligence Unit (2006): Pakistan Country Profile 2006, p. 28.

[3] Asian Development Bank (2006): Evaluation of the Agriculture and Natural Resource Management Sector in Pakistan, p. 14.

[4] Economist Intelligence Unit (2006): Pakistan Country Profile 2006, p. 18.

[5] Malik, Sohail (2005): Agriculture Growth and Rural Poverty, p. 7.

[6] Asian Development Bank (2004): Determinants and Drivers of Poverty Reduction and ADB's Contribution in Rural Pakistan.

B. The Project

5. **Project goals, objectives and components.** The overall goal of the project is to reduce poverty in the project area by increasing farm and off-farm incomes. The project's objectives as mentioned in the Appraisal Report are fivefold. It aims to (i) boost agricultural production and incomes of populations living in poverty; (ii) establish and strengthen community organizations as the institutions through which technical and social services can be provided to IFAD's target group on a sustainable basis; (iii) improve the status of women by targeting them for special attention in a culturally acceptable manner, including the provision of support to income generating activities; (iv) improve market access hence marketing to/from rural communities through the improvement of provincial and feeder roads; and (v) increase opportunities for on-farm and off-farm employment in the project area.

6. The project has the following five components: (i) Agricultural development (including crops development, livestock development and irrigation); (ii) community and women's development; (iii) roads development; (iv) employment generation; and (v) the Project Management Unit (PMU). More details on the project's components can be found in Appendix 5.

7. **Project dates.** The DASP was included in the IFAD pipeline following a general identification mission in 1992. A specific identification of the project was carried out in June 1995 followed by project formulation in April 1996. The appraisal mission visited Pakistan from 14 March to 7 June 1996[7]. The project loan was approved on 11 September 1996 and signed on 21 November 1996. It became effective on 15 April 1997. However, the project implementation started in 1999 only because of late staff recruitment. In the following years, the DASP has been extended twice. While the original loan closing was 30 September 2004 it was initially extended to 31 December 2006 and eventually to 31 December 2008. The DASP is not an exception in this regard as all projects in the Pakistan portfolio have been extended.

8. **Project partners.** The DASP is based on the collaboration of multiple stakeholders. Financers of DASP include IFAD, the Bank of Khyber (BOK) who has provided credit for the micro-enterprise development activities, the Government of Pakistan and the beneficiaries. The loan is administered by the United Nations Office for Project Services (UNOPS) that acts as a cooperating institution (CI). The overall responsibility for managing and monitoring the DASP rests with the Planning and Development Department (P&D) of the Government of the North West Frontier Province (GONWFP). Within P&D, the Special Development Unit (SDU) executes the project and a Project Manager (PM), responsible to SDU, manages the day to day activities. The SDU manages and monitors all multi-sector area-based projects in NWFP and the Federally Administered Tribal Areas (FATA) because individual line agencies proved unable to undertake this function satisfactorily.

9. **Project finance.** Total project costs were estimated at US$25.37 million. The project is financed by an IFAD loan of US$16.5 million which covers about 65 per cent of costs including contingencies. The Bank of Khyber (BOK) was to finance US$375 000, which represents 25 per cent of the loans provided for the development of micro-enterprises. The Government of Pakistan's (GOP) contribution amounts to US$5.95 million of which waived duties and taxes represent US$2.7 million. The contributions of the beneficiaries amount to US$2.55 million, or ten per cent of total project costs. They mainly consist of labour and material costs for irrigation-channel and feeder-roads improvements and other village infrastructure. By January 2007, 79.9 per cent of the loan had been disbursed.

10. **Location.** The project area covers the central and western part of the districts Upper Dir and Lower Dir, which are located in the north-west of the North Western Frontier Province (NWFP). They border Chitral district to the north, Swat district to the east, Afghanistan and Bajaur Agency to the west, and Malakand and Bajaur Agencies to the south. The project area covers about 2000 km^2. The project area is limited to the non-poppy-growing part of Dir and covers seven out of 11 sub-districts (*tehsils*).

[7] The then responsible CPM at IFAD was Mr Youssef Attig.

11. **Population.** At the time of project identification the seven tehsils in the project area contained about 700 000 persons which equalled to 60 per cent of the total district population. There are essentially three different social groups in the district: Pukthun, Sayeds, and lower-status groups mainly consisting of nomads (G*ujiars*). The Pukthuns are the traditional landowners and by far the predominant group. In the more than ten years since project formulation, the population in the project area grew from 700 000[8] to 900 000[9] or 30 per cent. Thus, the DASP is coincident with growing development challenges in terms of pressure on land and natural resources, and regarding employment opportunities.

12. **Settlement patterns.** Dir has a very scattered settlement pattern. At the time of project identification, the population of Dir area lived in about 1 900 settlements, of which approximately 1 150 settlements were in the project area. Only 43 per cent of them had more than 50 houses and just over one third of all settlements contain more than 500 persons.

13. **Leadership groups.** Four types of leadership groups can be distinguished in the project area: (i) tribal elders comprising the *Jirga*: The *Jirga* is the most important community institution dating back to the Princely States before independence. It is an assembly of influential landowning community members in a given village or group of villages. It excludes the landless, the lower status Pukhtuns and women. The *Jirga* is a community power forum mainly involved and still important in matters related to the resolution of conflicts, administration of justice and tribal law enforcement; (ii) Religious leaders: Together with the Movement to Enforce Shariat Law (TNSM), religious leaders have been active in mobilizing for the enforcement of Islamic Shariat laws. The movement potentially poses a challenge to development activities in the area and needs to be dealt with tactfully on the basis of intensive consultation with all major actors on the social scene; (iii) elected representatives: members of the Provincial and National Assemblies exercise a great deal of influence in the area. Their involvement in development activities stems from the special funds that are allocated to them for development work in their constituencies; and (iv) local business contractors: They are considered very influential and are reported to have mobilized communities against participatory development approaches because of their vested interests.

14. **Women's role in the rural economy of Dir.** Women in Pukhtun society and especially in Dir live under difficult social, cultural and economic conditions. They carry a heavy workload and have a limited role in decision making regarding most matters that govern their lives. The relationship between men and women is determined by the Pukhtun code of honour which tends to severely circumscribe their role as equal economic partners. Over the last couple of decades however, heavy out-migration of men as well as related economic pressure have created opportunities for an improved role for women, and the process of their gradual acceptance has, although slowly, started.

15. **Agriculture.** Although agriculture provides less than 40 per cent of the family income in the project area, agriculture is still by far the most important economic activity in the region. According to the Rapid Rural Appraisal (RRA) conducted during project formulation 98 per cent of surveyed households was active in agriculture. The inhabitants of the project area have a mixed farming system including both farming and livestock. In many respects, livestock production is the driving force in all the farming systems and crop production is as much dominated by the need for animal feed during winter season as by the basic food requirements of the family (grains).

16. **Non-agricultural economy.** Dir does not have any large industries because of its distance from sources of raw materials and markets and due to its relative lack of infrastructure. Micro-enterprise activities appear to be limited to the larger population centres and are mainly non-manufacturing in nature[10].

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[8] IFAD, Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project, Appraisal Report No. 706-PK, Rome, 26 October 1996, p. 15.

[9] GONWFP, Development Statistics 2005, Planning and Development Department, Bureau of Statistics, Peshawar, 21 August 2006, pp. 250-251.

[10] IFAD (1996): Dir Area Support Project, Appraisal Report Vol II, Working Paper 1, p. 22.

17. **Land distribution and tenancy.** Farms in the project are generally small: below one ha on average, with about 70 per cent of the farms included in this segment. At the time of project formulation, the average size of land holdings was not sufficient for households to meet their subsistence needs given the large family size. This was particularly so because part of the land holdings is rainfed, thus double cropping is not possible and crop yields are unpredictable.

18. **Social conditions**. Comparing social conditions in Dir to those in other rural areas of Pakistan generates an ambivalent picture: Human development indicators on literacy, health and access to tap water are higher in Lower Dir than in the rest of rural Pakistan on average. Human development indicators for the rural areas in Upper Dir are similar to those for rural Pakistan at the whole when it comes to literacy rate, health consultation and pre-natal consultations. Furthermore, respective indicators suggest that social conditions tend to be better in rural areas of Lower Dir than in Upper Dir.

19. When assessing rural poverty on the level of the two districts in general, an additional source can be quoted, i.e. the MDG Report of 2005[11]. This report compares two studies, one prepared in 2001 and the other in 2005. The salient features of the MDG report are given in Table 1, which suggests that the Lower and Upper Dir districts fair relatively well, in comparison with the whole province, regarding education and health indicators, and that they lag behind in terms of access to safe drinking water and sanitation.

Table 1. Selection of MDG Indicators of NWFP and Performance between 2001 and 2005

Indicators	Lower Dir		Upper Dir		NWFP	
	2001	2005	2001	2005	2001	2005
Gross primary enrolment ratio, total, per cent	40	81	20	77	39	64
Gross primary enrolment ratio, male, per cent	48	99	26	100	44	82
Gross primary enrolment ratio, female, per cent	32	62	13	42	32	45
Completion rate to grade 5, total, per cent	54	95	43	85	56	72
Completion rate to grade 5, male, per cent	59	95	47	77	60	76
Completion rate to grade 5, female, per cent	46	95	33	95	49	67
Child mortality <5 years, per 1000 live births	81	66	90	82	79	67
Access to safe drinking water, per cent of population	45	63	22	45	63	71
Access to sanitation, per cent of population	24	27	11	17	39	44

Source: IUCN, NWFP Millennium Development Goals Report 2005, K&P Consultancy Services, Peshawar, October 2005

20. The scant information which is available at this point in time on socio-economic conditions in the project area itself (as compared to those of the overall Lower and Upper Dir districts) reveals that key indicators are far below the district average. The literacy rate in project villages is estimated to be five per cent only[12].

C. Objectives of the Evaluation

21. The Office of Evaluation (OE) of IFAD has undertaken a Completion Evaluation of the DASP in order to ensure accountability and to offer an overview of good practices and lessons learned for all stakeholders[13]. This Completion Evaluation has taken place ten years after the DASP loan has become

[11] IUCN, NWFP Millennium Development Goals Report 2005, K&P Consultancy Services, Peshawar, October 2005.

[12] UNOPS (2000): Dir Area Support Project, Mid Term Review, p. 14.

[13] The Core Learning Partnership is a forum aimed at adequately involving the main stakeholders throughout the evaluation process. This is fundamental in order to ensure full understanding by the evaluators of the context, and the opportunities and constraints faced by the implementing organisations, to engage the stakeholders in a fruitful collaboration, and to facilitate the discussion of the recommendation and their adoption.

effective. It is in line with the IFAD evaluation policy and adopts the latest methodology for project evaluations developed by OE. The latter focuses on three dimensions: (i) the performance of the project measured in terms of relevance[14], effectiveness[15] and efficiency[16]; (ii) the rural poverty reduction impact of the project measured against impact indicators that are grouped according to impact domains; and (iii) the performance of IFAD and its partners including IFAD, the Government of Pakistan, the Bank of Khyber (BOK) and UNOPS as the cooperating institution. The evaluation will also assess the contribution of the project to IFAD's involvement in policy dialogue, the building of partnerships, knowledge management and the promotion of innovations for replication and up-scaling. In addition, the evaluation will consider the sustainability of project outcomes and impacts and gender equity as a cross-cutting issue.

22. The evaluation was cognisant of the fact that the project, after having been extended twice, is still ongoing. The DASP evaluation is expected to generate important inputs for the Pakistan Country Programme Evaluation which is also undertaken by OE in 2007. The Completion Evaluation[17] took place from 18 June to 9 July 2007, with a wrap-up meeting in Peshawar hold on 9 July 2007 to which the Core Learning Partnership was invited.

23. **Data collection techniques.** The evaluation team studied all project documents as well as a selection of secondary sources, including the Pakistan Poverty Reduction Strategy Paper (PRSP) and the NWFP Millennium Development Goals Report 2005, in order to put the DASP in a broader perspective. The team held discussions with representatives of all stakeholder groups, i.e. members of village and women's organisations (VOs and WOs, respectively), entrepreneurs and trainees that benefited from project support, representatives from participating line departments (LDs) and district authorities. Field interviews with beneficiaries and community organisations were a major evaluation activity, either in the form of focus-group discussions or one-to-one consultations. The recall-method was used to substitute the lack of proper baseline data, partly through the compilation of drawings made by the members of VOs and WOs, which were ask to sketch their village at three points in time, i.e. the past, present and future. The triangulation of documentary, statistical and anecdotal evidence was the basis for this evaluation. Additional details on the evaluation methodology are given in an excerpt of the Evaluation Approach Paper in Appendix 6.

24. In order to assess the project's impact accurately and to avoid over-estimation of project impacts to the extent possible, a sample of villages that were not targeted by the project were incorporated in the evaluation. Due to security considerations, only two non-targeted villages have been visited. The security situation has imposed further restrictions on the movement of the mission, namely: (i) the necessity that the evaluation team had to be accompanied by a police escort, which could have consequences for the validity of data compiled, and (ii) the necessity to predetermine the itinerary thus ruling out any unexpected visits to communities. On the other hand, the security situation in Lower and Upper Dir allowed sustained project work over time and an orderly implementation of the mission schedule, unlike in other projects such as the South FATA Project where staff movements in the project area are extremely restricted.

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[14] Relevance captures the extent to which the project objectives are consistent with the priorities of the rural poor and other stakeholders.

[15] Effectiveness refers the how well the project performed in delivering against immediate project objectives.

[16] Efficiency captures how economically resources were converted into results.

[17] The mission consisted of Ms. Sylvia Schweitzer (lead evaluator, IFAD), Mr. Ernst Schaltegger (team leader), Ms. Anna-Liisa Kaukinen (community and women's development specialist), Dr. Zahur Alam (agricultural and livestock development specialist) and Mr. Mohammad Javaid Ahsan Khan (rural infrastructure specialist). Ms. Rashda Syed assisted the mission as resource person for community and women's development issues.

II. PROJECT PERFORMANCE

A. Design Features

25. IFAD's Dir Area Support Project (DASP) was designed in 1996 to follow a participatory, village-based approach to reduction of rural poverty in Lower and Upper Dir, NWFP. The project's design followed the approach developed and tested in several earlier multi-sectoral projects aiming at reduction of rural poverty through village development, such as the projects of the Agha Khan Rural Development Programme (AKRSP) in the Northern Areas of Pakistan, Barani Area Development Projects (I and II) in NWFP and Punjab, Chitral Area Development Project and Mansehra Village Development Project in NWFP, financed by the Asian Development Bank, IFAD and others, including some bilateral donors. These built on the traditional communal traditions, which particularly in the Pukthun society in NWFP are strong. The traditional conflict resolution and communal decision making system based on the *Jirga* in NWFP is the most pronounced of these.

26. In terms of the component mix chosen, the DASP is also similar to the projects mentioned above. In comparison to the Mansehra Village Development Project, for which a Completion Evaluation is available[18], the design of the DASP appears however to have put more emphasis on the creation and support of VOs and WOs as the principal driving force for achieving the project outputs, effects and impacts. According to the DASP Appraisal Report[19], the underlying rationale of the project is based on several key factors: (i) the inclusion of areas of Lower and Upper Dir, which have not benefited from past interventions such as the Dir Area Development Project, (ii) the need to promote improved agricultural and livestock productivities, including irrigation, (iii) the growing importance of the non-farm rural sector for generating incomes, (iv) the lack of reliable road connection illages, and (v) the increasing shift of the GONWFP to include VOs in its development effort.

27. The DASP has been designed with painstaking surveys and research in a hitherto unknown environment devoid of comprehensive statistics. The Formulation and Appraisal Reports provide evidence of this effort. However, the logical framework is not completely consistent per se and partly contradictory to the goal and objectives stated in the text, the indicators defined are somewhat arbitrary and not entirely relevant, and many assumptions refer to internal factors, under the control of the project, rather than to genuine external factors (see paragraphs 29-31).

28. In addition to the objectives mentioned on the purpose level of the logical framework (i.e. objectives (i), (iii) and (v) as mentioned in paragraph 5, the narrative of the Appraisal Report explicitly adds the establishment and strengthening of community organisations and improved access to markets to the project's objectives. These are only captured on the output level of the project's logical framework. Since the project documentation suggests that community organisations are seen as a vehicle for the achievement of other project objectives they will not be shifted to the logical framework's purpose level and thus not be taken into account for assessing the project's overall effectiveness in this evaluation. Improved access to markets will however be considered in terms of project effectiveness since this goes beyond the output level.

29. **Assumptions at project appraisal**. The logical framework of DASP comprises a column referring to assumptions/risks. Three questions are of interest in the framework of this evaluation, namely: (i) to what extent the design of DASP was risk aware, (ii) whether the assumptions referred to essentially external or internal factors, and (iii) in hindsight, whether the assumptions made were accurate. Appendix 4 shows an excerpt of the original logical framework with a rating of the assumptions along these lines.

30. A rule of thumb in project design infers that the more risk assumptions are contained in a logical framework, the more the project may be vulnerable to external shocks and stress. The analysis of

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[18] IFAD, Islamic Republic of Pakistan, Mansehra Village Support Project, Project Completion Review Report, Rome, 2002.

[19] IFAD, Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project, Appraisal Report No. 706-PK, Rome, 26 October 1996, pp. 21-22.

DASP's logical framework suggests that the design team was risk aware to a substantial extent, given the big number of assumptions made. However, they vary substantially in their respective degrees of importance and probability of occurring, and in the choice of purposes, outputs and activities that were given a caveat of conditionality. The three assumptions made at goal level on the political, religious and economic environment correctly relate to external factors outside the control of the project while several assumptions at the levels of purpose, outputs and activities tend to mention factors, for which the project itself should have taken aim at complying with. A good and well coordinated project management is one such key internal factor which the logical framework categorises as an external factor. Others, such as active community participation, line departments respectful of the communities' wishes and good design quality of infrastructure are good practices that should be assured by the project itself, and not be relegated to external factors. It is fair to conclude that the scope and nature of assumptions made at appraisal were somewhat disparate, for not focussing on genuine external factors.

31. The accuracy rating of the assumptions may shed some light on the sense of realism prevailing at project appraisal. In hindsight, the assumptions made concerning the stability of the economic context and commodity prices proved to be relatively accurate. However, considering the present politico-religious environment of Pakistan, it appears that the corresponding assumption was overly optimistic[20]. In the same context, the project design underestimated *religious or other inhibitions to take credit*. As the record shows in Section II.B., the assumptions on consultants' capabilities and appropriate budget allocations for provincial roads O&M did not materialize. To a lesser degree, this may also be true regarding the assumptions on sustainability prospects, be it related to WOs or activities of line departments. In all the cases where direct project actors are concerned, and where the assumptions failed to comply, the project design should have included risk mitigating measures, such as focused technical assistance where needed, the set-up of a stringent monitoring system, and a mechanism of rapidly correcting identified shortcomings.

32. **Project design in a wider context**. When the DASP was designed, IFAD had a written country strategy for Pakistan[21]. In essence, the elements of the country strategy were; (i) to sharpen the focus on the most disadvantaged rural people, (ii) to continue using landholding as the basis for identification, reinforced by data on income from other sources, (iii) to continue with the support to innovative farm and non-farm interventions, infrastructure and social sectors, (iv) to follow the evolving participatory approach by organizing the target population into VOs and WOs, and (v) to encourage working relationships between government line departments, NGOs and the beneficiaries. Comparing the design of the DASP with the then valid strategy, it appears that both match to a considerable extent. This assessment does not fundamentally change when the DASP design is revisited ex-post with regards to the more recent Country Strategic Opportunities Paper (COSOP)[22] of 2003. The COSOP notes that the "major features to define IFAD's programme would include: (i) marginal and resource-poor geographical areas, (ii) an institutional framework permitting target group influence and project interventions in support of poverty alleviation activities, (iii) the development and dissemination of technology suitable to be adopted by poor people, (iv) complementarity of rural infrastructure development in area based projects, and (v) the need for employment generation". This strategic orientation comes conspicuously close to the design features of DASP.

33. The DASP design is also fairly coherent with Pakistan's Poverty Reduction Strategy Paper (PRSP)[23], which is also, as in the case of the COSOP, posterior to the inception of the DASP. In its part devoted to the rural development strategy, the PRSP recognizes the need of community

[20] At appraisal, there was no such thing as 9/11.

[21] IFAD, IFAD's Country Strategy for Pakistan, Qazi Kholiquzzaman Ahmad, Rome, November 1991.

[22] IFAD, Islamic Republic of Pakistan, Country Strategic Opportunities Paper (COSOP), Report no. 1556-PK, Rome, December 2003, Page 10.

[23] Government of Pakistan, Ministry of Finance, Accelerating Growth and Reducing Poverty: The Road Ahead (Poverty Reductions Strategy Paper), Islamabad, December 2003.

organizations for bringing technological innovation to smallholders and the potential of livestock for pro-poor growth.

34. Ex-post, a recent World Bank publication[24] may support the design choices made at appraisal. This report notes, for NWFP and the period 1999-2005, an average increase of 1.5 per cent in rural households' real per capita expenditures, however with noteworthy differences: the lowest two quintiles of farm households expenditures grew by 11.5 per cent while the same two quintiles of rural non-farm household expenditures only increased by 2.5 per cent. This rate changes to six per cent when the rural non-farm household is self-employed. This pattern suggests that the DASP's combination of support to farm and non-farm households, for income generation derived from agriculture and of non-farm employment generation was justified.

35. **Detailed design features.** The DASP made a design shift in the short period between project formulation[25] and appraisal (March and October 1996, respectively). While in the Formulation Report the approach strategy was based on an appropriate NGO for the selection and the support of VOs and WOs, in the Appraisal Report these key functions were foreseen to be implemented via the PMU. This shift is noteworthy because the Operational Strategy Committee (OSC)[26] of IFAD placed explicit emphasis on the arrangements for NGO participation, in particular the respective roles and mechanisms of collaboration between the NGO, the planned village organisations and the traditional village decision making systems. Also the Mid-Term Review Mission (MTR)[27], as well as a separate community development and women's development review contained therein, suggested the engagement of a locally-based NGO, Khwendo Khor, specializing in social sector development issues, such as health and education, and women's development. This could have helped building a long-term relationship with VOs and especially WOs, with a potential for continued support after the completion of the DASP. Despite this inherent advantage, and in hindsight, the shift to direct PMU implementation proved to be salutary in view of the partly virulent anti-NGO campaign that emerged around the year 2002 and is still pervasively felt today.

36. In terms of design methods and procedures, the first question to be answered is whether the design was relevant for *the needs of the poor of the project area*, i.e. whether the needs and development constraints that the target population faced before the project started were actually addressed by the project. The interviews conducted by the mission suggest that the most important development constraints perceived by the target population continue to be road access, irrigated land, crop and livestock productivity and employment and that the project indeed addressed these to a considerable extent. The second question is whether the design process was participatory and involved *in practice* a representative sample of key stakeholders. The Formulation Report indicates that (i) RRAs have been carried out with the participation of the key stakeholders, which have been clearly defined as small landholders, tenants and landless, and (ii) that the development priorities brought forward by these stakeholders have been compiled and processed[28]. These priorities, expressed at project formulation, are similar to the ones perceived by the target population today. It is therefore fair to say that the design of the DASP did indeed – and still does - respond to the needs of the poor as perceived by themselves, and that the project was designed with participatory methods.

37. Not all project design inputs were relevant for addressing development constraints. On the positive side, some of the findings of the adaptive agricultural research sub-component point to distinct local opportunities, especially regarding off-season vegetables, and others provide

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[24] World Bank, Pakistan, Promoting Rural Growth and Poverty Reduction, Report No. 39303-PK, Sustainable Development Unit, South Asia Region, Washington DC, 30 March 2007.

[25] IFAD, Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project, Formulation Report No. 734-PK, Vol. 1, Rome, 26 March 1996.

[26] IFAD, OSC, Pakistan, Dir Area Support Project, Formulation, OSC minutes, Rome, 16 April 1996.

[27] IFAD, DASP Mid-Term Review, Rome, April 2000, p. 32.

[28] IFAD, Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project, Formulation Report No. 734-PK, Vol. 2, Rome, 26 March 1996, Working Paper 1, Page 3 and Tables 9 and 10.

management tools, such as soil fertility status maps. If used properly these could prove to be very useful for the development of agriculture of Lower and Upper Dir. On the other hand, the establishment of fruit orchards under the adaptive research sub-component (grapes, apples, cherries, citrus, plums and tea) appears to represent a considerable potential for the project area. However, the downside is substantial area requirement and gestation periods of three to eight years. Consequently, fruit orchards as a DASP specific development option go beyond the limitations of project's target population with landholdings below one hectare. Another adaptive research topic, chemical weed control for wheat, onions and paddy, is out of context and not relevant for subsistence farming, besides having environmental hazard as well. Farmers use hand weeding for feeding their livestock. This should have been recognized at project design or then by the PMU, which was responsible for the final selection of the adaptive research topics. Less, but more relevant and effectively applicable, topics would have been more useful on the whole.

38. In the soil and water conservation sub-component, the chosen techniques have been applied in the project area since long. People are well familiar with these structures such as terracing/benching, small check dams, protection structures and gabion structures, farm yard pits and spring development activities, the latter two interventions especially targeting women. Mostly locally available materials are used. Local farmers are familiar with the design adopted for the component and it is commensurate with their skill level. In this respect, the design features of the project proved to be relevant. On the other hand, the provision of instruments such as distomats and theodolites in the irrigation sub-component was inappropriate. The level of technology adopted does not require the use of such sophisticated instruments, and the instruments were in fact never used

B. Implementation and Outputs

39. In this section, key project activities and the outputs achieved are compared with the 'Planning Commission I' (PC-I) targets. The PC-I is an official planning document compulsory for every GOP undertaking in the form of a project. The PC-I targets are a detailed list of project implementation activities and outputs derived from the Appraisal Report. As the PC-I has been revised, in 2004, by mutual consent between IFAD and the borrower, and given the fact that the PMU is reporting project progress since then against these revised PC-I targets, the mission logically chose to analyse implementation and outputs against the revised PC-I targets. The PC-I revision reshuffled exchange rate gains in PKR terms and entailed a major resource allocation shift in favour of provincial and feeder roads, from 35 per cent of base cost at appraisal to 56 per cent of the revised PC-I, at the expense of the remaining project components in terms of cost share, but not in terms of physical targets that were, on the contrary, partly revised upwards, e.g. the numbers of VOs and WOs to be formed and the length of provincial and feeder roads.

40. **Community and women's development (ten per cent of base cost, eight per cent of revised PC-I)**. The specific expected outputs of the Community and Women's Development component are: (i) to establish VOs and WOs, (ii) to organize interventions of line departments such as extension, training, irrigation improvement etc. so that the VOs and WOs are the primary means of achieving community development in general, and women's development in particular; and (iii) to provide for the sustainability of the VOs and WOs after the direct project support has been withdrawn[29].

41. As of 30 June 2007 - one year before project completion on 30 June 2008 – the DASP has formed a total of 700 VOs and 265 WOs (see also Table 2). Figure 1 shows the formation process in numbers since project inception.

42. The CBO formation process still continues, although the project will close in less than a year. 27 cluster organizations were formed against the target of 37 (73 per cent). The clusters only incorporate VOs. WOs are supposed to be represented through the male members of the households of the WO members, normally the husbands or other male members of the WO office bearers. Attempts have reportedly been made to form a cluster of WOs, as recommended by supervision missions.

[29] IFAD, *Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project,* Appraisal Report No. 706-Pk, Rome, 26 October 1996, p. 28.

However, neither the mission nor the Assessment Study of 2005 found evidence of effective WO formation[30]. The clusters have formed wider linkages than the CBOs to the line agencies, other projects, a few national and local NGOs, and the local government, and continue similar activities, i.a. regular savings, regular meetings, form interest-based internal committees, such as irrigation development committees, and attempt to source opportunities and funding for village development but on a wider geographical basis, covering a limited number of valleys.

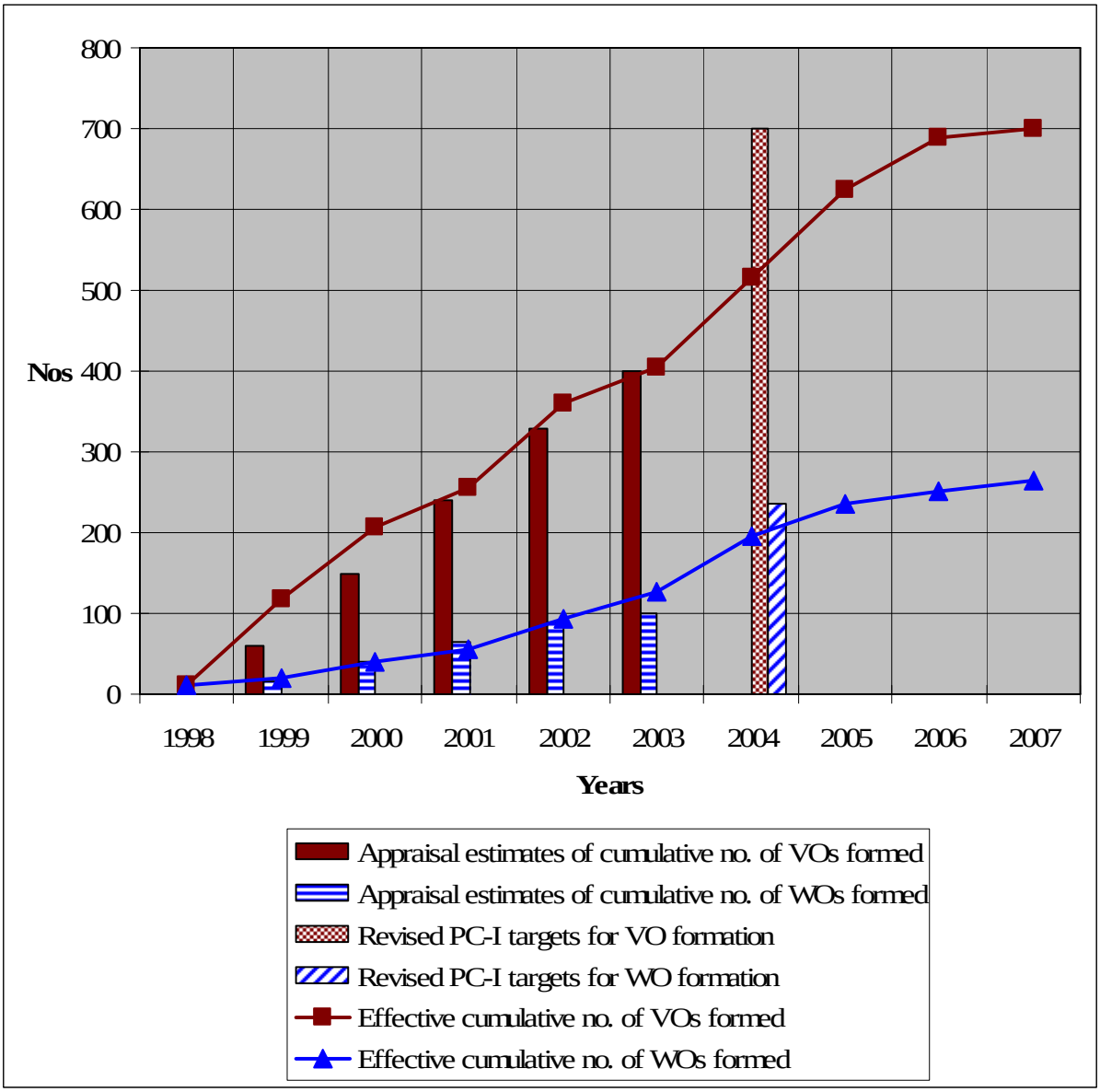
43. The rapid build-up of VOs and WOs caused some concern at the Mid-Term Review of the DASP. It was noted that the Community Development Section, in spite of having qualified staff, was seriously handicapped mainly due to the project's over-emphasis on group formation and under-emphasis on the needs of support to group stabilization and maturity[31]. At completion evaluation, it still appears that the DASP continues focusing on community mobilization, i.e. the formation of new CBOs, although the institutionalization process of the CBOs already formed is far from complete. Clear strategies and systems for support of CBO sustainability have not been formulated.

44. In addition to capacity building of the social organisation staff of DASP, training was given to CBO members (activists/office bearers, i.e. president, secretary and finance secretary) in the basics of steering communities to self-sustained development (leadership, managing meetings, keepings simple records, and basic accounting). So called "Managers' Conferences" - CBO leaders and representatives attend forums, where also the line agency staff are present, to discuss village development issues - were also to be arranged. Table 2 indicates that training targets, in numbers of persons, have generally been achieved, and that a substantial number of female trainees have been reached, with the exception of community development staff training (Social Organisation Unit (SOU) of PMU). The data in Tables 2-11 on the following pages have been sourced from the quarterly monitoring and reporting formats of the PMU as per 30 June 2007. All activities and outputs related to women are shaded for easy reading.

[30] CAMP, Assessment Study – Institutionalisation of Community Organisations, DASP, 2005.

[31] IFAD, DASP Mid-Term Review, Rome, April 2000, p. 15.

Figure 1. Estimated and Effective VO and WO Formation, 1998-2007



45. Although the PMU was fully staffed and set up all SOUs, the DASP has suffered throughout its implementation, and particularly during the early years, of high staff turnover. This may explain why community development staff training is lagging behind the training achievements with regards to VO and WO office bearers (Table 2). One of the major reasons was the salary structure approved in the original PC-I, which was lower than provided for at appraisal, and lower than in similar other projects in NWFP. IFAD has raised this issue with the Economic Affairs Division (EAD) of the GOP on a number of occasions because it did not only affect the DASP but other IFAD projects as well. This and the remoteness of Dir initially made it difficult to attract and retain experienced and well-qualified staff. Due to the low educational levels in Dir it also was difficult to find suitable local personnel, particularly female social organisers. The rapid staff turnover and other management problems faced by the project in the initial years slowed down the development of strategies for the institutionalisation of the CBOs, although the rate of physical CBO formation has been rather steady throughout the implementation period (see Figure 1). The regional political developments, and the subsequent anti-NGO propaganda resulting from the "Afghan war" around 2002, and right after, did also have a negative impact on CBO, especially WO formation. Several CBOs became dormant for a few years. The trend was overcome with the easing of the political undercurrents of the phenomenon and the adoption of a low-key approach to community mobilisation and particularly women's mobilisation whenever the situation was critical, with a swift resumption of activities as soon as the project was able to demonstrate its good intentions, often in consultation with religious opinion leaders.

Table 2. CBO Targets and Achievements

Community Development Section	Unit	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
Training, Studies and Community Development Funds				
1. VOs formed	No.	700	700	100 %
2. WOs formed	No.	235	265	113 %
3. Cluster organisations formed	No.	37	27	73 %
4. Community development staff training (PMU, SOUs)	Persons	124	81	65 %
5. VO training (male; activists, accountants, leaders)	Persons	1 550	1 645	106 %
6. VO training (female; activists, accountants, leaders)	Persons	530	658	124 %
7. Managers' Conference, male	No.	42	39	93 %
8. Managers' Conference, female	No.	45	38	84 %
9. Adult literacy, health and nutrition, female	Persons	3 621	3 379	93 %
10. NGO exposure visits, project and organizational development	Persons	67	97	145 %
11. Studies on credit institutionalization	No.	1	1	100 %
12. Community Development Funds	No.	300	276	92 %

46. The force behind the CBOs formed is not only their individual membership (20 084 men in VOs, and 4 821 women in WOs), but potentially also their accumulated savings of VOs of PKR10.02 million, with an average of PKR500 per VO member, and savings of WOs amounting to PKR1.38 million or an average close to PKR300 per WO member. Such savings are presently only a potential for meaningful development activities as the amount of savings per capita is very small, especially in WOs. The CBO databases, kept by each SOU on Excel files, also indicate that there is little or no correlation between the accumulated savings and the date of constitution, the number of members and the credits extended to CBO members. This fact suggests structural weaknesses in the systematic savings mobilisation and in savings allocation strategies.

47. CBOs registered as Citizen Community Boards (CCBs) under the decentralised local government system, the so-called Devolution Plan, with access to local government development funds, are 70 for VOs, 10 for WOs and 15 for clusters. Clusters represent WO interests through the male members as no clusters with direct representation of women are yet formed, although such has been suggested by supervision missions on the basis of the interest and perceptions of the communities in some localities.

48. **Agricultural development (31 per cent of base cost, 21 per cent of revised PC-I).** This component is the one with the most numbers of line agencies involved as it covers adaptive agricultural research, crops, social forestry, soil and water conservation, livestock and irrigation.

49. **Crop development sub-component.** The sub-component design is based on the conventional research-extension sequence including on-farm adaptive research, support to audio-visual communication, and the establishment of demonstration plots for food grains, fruits and vegetables, as well as farmer-based seed multiplication of high yielding varieties of wheat, maize and rice. This is complemented by the training of Community Extension Workers (CEWs), seed farmers, input dealers, and female farmers. Field days, agricultural fairs, fruit and vegetable shows, seminar/workshops, radio talks and film shows are also part of the extension strategy. An important element of the approach is to mobilize VOs and WOs to become the main platform for supply of services and other activities targeting the poor farmers, tenants and landless. The overall implementation of the sub-component is entrusted to district staff of the Department of Agricultural Extension (DOAE).

50. **On-farm adaptive research**. This part of the component is contracted to scientists of the Agricultural Research System of NWFP. Based on a detailed survey, 30 adaptive research themes

were identified, of which 28 have been completed, compared to a target of 20 at appraisal (see Table 3 for achievements and paragraph 37 for relevance). Although these research themes vary in scope and diversification, each research sub-contract was laid out for a duration of two years, and each was allocated a budget of PKR300 000. Follow-up arrangements were not made, and the DOAE did not take over on-farm adaptive research plots from their research colleagues. In fact, DOAE was not even aware of the topics and locations of adaptive research plots. This is particularly visible in longer-term undertakings, such as grape orchards, which today are abandoned, thereby leaving a message of inappropriateness.

Table 3. Agricultural Adaptive Research and Extension Targets and Achievements

Agricultural Adaptive Research and Extension	Unit	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
Topics, Training, Seminars, Demonstration Plots and Studies				
1. Adaptive research topics	No.	30	28	93 %
2. Agriculture Department staff training	Persons	42	93	221 %
3. Community Extension Workers (CEW) training, male	Persons	2 390	2 666	112 %
4. Community Extension Workers (CEW) training, female	Persons	70	100	143 %
5. Seed farmers and input dealers training, male	Persons	765	864	113 %
6. Seminars, field days, fairs and shows, male	No.	799	872	109 %
7. Cereal, vegetable and orchard demonstration plots	ha	456	472	104 %
8. Cereal seed stock for multiplication	MT	160	157	98 %
9. Crop intervention and training effectiveness impact studies	No.	2	0	0 %

51. **Agricultural extension**. All training modules implemented by DOAE staff, in favour of male and female CEWs, seed producers and input dealers have overshot the PC-I targets as shown in Table 3, benefiting some 4 600 persons. This is an achievement fostering human assets and empowerment for leveraging continued service delivery. Demonstration plots for cereals, fruits and vegetables on a total of 472 ha, or more than 2 000 in numbers, have so far been established. As demonstration plots are to be considered as a major extension vehicle, it is surprising to note that no systematic record keeping occurred in terms of location, date, crop, extension messages, and yields obtained compared to farmers' practices. Summary information provided at the end of the mission by the DOAE in Lower and Upper Dir lack sound statistical foundation. These are substantial flaws in a modern extension set-up. Moreover, no indication is available regarding the final adoption of the demonstrated topics on the demonstration plots, thus preventing any educated estimate of the achieved extension effect. Widespread technology adoption is generally considered a pre-requisite for productivity increase, thus an ingredient for attaining the project objective of boosting agricultural production. The fact that the planned crop intervention and training effectiveness studies have not been carried out exacerbates these systemic flaws (Table 3). The situation appears to be better with regard to the farmers' seed multiplication for food grains. According to information obtained by the DOAE in Lower and Upper Dir, the improved wheat, maize and paddy seed so obtained allowed covering 70 per cent and 100 per cent of the DASP attended farmers in Lower and Upper Dir, respectively, although no such targets have been set in these terms. The corresponding revised PC-I target was 160 MT multiplication seed stock to be provided by the Cereal Crops Research Institute (CCRI) Pirsabak, which was complied with to the extent of 157 MT (Table 3). Consequently, in terms of strict numeric target achievements, with the exception of studies, the sub-components of adaptive research and extension have faired well but failed to generate the required information and knowledge that would allow learning key lessons.

52. **Social forestry and watershed management**. The project followed and supplemented the on-going activities of the Malakand-Dir Social Forestry Project funded by the Dutch Government. The extension approach and the activities evolved around the participation of the VOs to identify, develop and implement non-agricultural land management programmes based on principles of equal access and benefits, sustainability and controlled use. A key project intervention consisted of the training of 252

women in the management of forest nurseries, and the establishment of village-based nurseries, mostly run by women. Table 4 below gives an overview of the targets and achievements of all other expected outputs relating to social forestry. From the private nurseries, the women provided close to 900 000 saplings that were planted on 680 ha of private farm land, and enough planting material for the reforestation of 2 680 ha of communal land. In addition, 41 km of road side plantations were undertaken, and six public sector nurseries were also developed. The overall outputs achieved in social forestry are in line or above the targets set, with the exception of DOF staff training.

Table 4. Social Forestry Targets and Achievements

Social Forestry	Unit	Revised PC-1 Target	Cumulative Achievements as per June 2007	Percentage Against PC-1
Reforestation, Training				
1. Government nurseries	No.	6	6	100 %
2. Private nurseries	No	105	147	140 %
3. Community forestation	ha	2'294	2'680	117 %
4. Group plantations	ha	480	680	142 %
5. Individual plantations (plants distribution)	No	900 000	879 700	98 %
6. Roadside plantations	km	41	41	100 %
7. DOF staff training	Persons	104	72	69 %
8. Participatory NRM training, male	Persons	180	177	98 %
9. Technical training, nursery operators, female	Persons	280	252	90 %
10. Awareness campaigns, male	Persons	115	124	108 %
11. Exposure visits, male	Persons	60	60	100 %

A woman managing a forestry nursery
Source: Rashda Syed

53. **Soil and water conservation.** The outputs achieved are given in Table 5. As mentioned in paragraph 38, the techniques applied are well adapted to the prevailing skill levels and use locally available materials. This may explain some overachievements, which compensate the less than expected area achieved through terracing/benching and the lesser number of small check dams established. The activities carried out in soil and water conservation led to a net increase in cultivable area of 459 ha, benefiting close to 2 500 households.

Table 5. Soil and Water Conservation Targets and Achievements

Soil and Water Conservation	Unit	Revised PC-1 Target	Cumulative Achievements as per June 2007	Percentage Against PC-1
Soil and Water Conservation Structures, Training				
1. Terracing /benching, male	ha	593	459	77 %
2. Small check dams, male	No.	80	70	88 %
3. Spurs & protection structures, male	No.	100	198	198 %
4. Gabion structures, male	No.	95	185	195 %
5. Farm yard manure storage, female	No.	135	143	106 %
6. Spring development, female	No.	30	34	113 %
7. Technical staff training	Persons	41	40	98 %
8. Participatory development training VO members, male	Persons	350	357	102 %
9. Technical and refresher training VO members, male	Persons	780	676	87 %
10. Manure storage and spring protection training, female	Persons	135	185	137 %
11. Water shed management demonstrations, 12 ha each	No.	80	87	109 %

54. **Livestock development**. In terms of breed improvement for cows and buffaloes, six artificial insemination (AI) centers were established and the stock assistants at Faisalabad Agricultural University trained accordingly. The AI technicians were equipped with liquid nitrogen transportation tanks, AI guns and motor cycles by the project. According to the DASP's self-evaluation report[32], the strategy was to inject the local non-descript breeds with pure Jersey, Frisian and Saihwal[33] blood. Since the inception of the project, 30 235 cows and 3 416 buffaloes were inseminated giving birth to 5 411 female and 4 025 male cattle offspring while 523 male and 595 female buffalo offspring are reported. No targets in this respect were set, neither at appraisal nor in the PC-I, original and revised. Average conception rates were 31 per cent initially, later increased to 56 per cent, which are low by all standards, probably due to delays between heat detection and actual insemination. In the small ruminants breed improvement programme, 331 rams and bucks were provided to selected farmers, at cost for the latter and free of cost for women.

55. Table 6 gives details on all key interventions in the livestock sub-component. 2 900 demonstrations related to fodder crops and feed preparation were implemented. 540 vaccination and ecto and endo parasite control campaigns were carried out through which an unknown number of animals were treated free of cost, reportedly covering 90-95 per cent of all animals in participating villages. An important element in the livestock development strategy of DASP was the training of 518 CLWs and 376 women in poultry production and health (Table 6). The trained CLWs were provided with a first aid kit. These workers vaccinate the livestock according to the scheduled vaccination programme in their respective villages. The women trained as Poultry Extension Workers were provided 100 one day old chicks plus feed and have started poultry production on a commercial scale. Despite these reported success stories, and not unlike the case of agricultural extension, a comprehensive assessment is hampered by the absence of systematic record keeping by the concerned line department.

[32] DASP, Self-Evaluation Report, Timergara, 2007, Page 6.

[33] Saihwal is a registered Pakistani cattle breed.

Table 6. Livestock Development Targets and Achievements

Livestock Extension, Lower and Upper Dir Combined	Unit	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
Artificial Insemination, Breeding Animals, Training and Demonstrations				
1. AI centres	No.	6	6	100 %
2. Breeding animals (bucks and rams)	No.	360	331	92 %
3. Vaccination and parasite control campaigns	No.	540	540	100 %
4. Livestock Department staff	Persons	130	129	99 %
5. Community Livestock Workers (CLW), male	Persons	340	518	152 %
6. Farmer, pastoralist and input dealer training, male	Persons	1 721	1 861	108 %
7. Poultry workers, female	Persons	270	378	140 %
8. Demonstrations on animal rearing and feeding, male and female	No.	2 811	2 908	103 %

56. **Irrigation**. By June 2007, 257 lined irrigation channels have been completed against a PC-I target of 290. In some cases, the selection criterion of irrigation schemes not exceeding 25 ha each has been exceeded (see also Table 7 for the remaining irrigation structures). The design of irrigation channels at points of vertical drop, outlets and intake structures is however not always satisfactory although the Appraisal Report and the related working papers went at length in providing the required specifications. The newly claimed irrigation command area amounts to 750 ha, against an output indicator of 1 375 ha in the logical framework of the Appraisal Report while the revised PC-I does not mention such a target. The text of the Appraisal Report also sets a target of 200 canal improvements or rehabilitations, later increased to 290 (see Table 7), covering each 18.5 ha on average, without mentioning what proportion would be additional irrigated area. With 290 irrigation schemes at 18.5 ha average area, this would have amounted to 5 365 ha under improved or rehabilitated irrigation schemes while the effective figure per 30 June 2007 corresponds to 5 457 ha in total, benefiting, 6 038 participating households, and resulting in a net increase in irrigated area of 0.123 ha per such household in average. Therefore, total area under improved or rehabilitated irrigation schemes has been increased as planned while there seems to be a shortfall in terms of newly claimed command area.

Table 7. Irrigation Targets and Achievements

Irrigation (On-farm Water Management)	Unit	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
Types of Infrastructure and Training				
1. Irrigation channel rehabilitation	No.	290	257	89 %
2. Water storage tanks	No.	55	52	95 %
3. Hose fed/pipe irrigation schemes	No.	45	29	64 %
4. Lift irrigation schemes	No.	40	69	173 %
5. Dug well irrigation systems	No.	67	72	107 %
6. Exploitation of irrigation water	No.	30	35	117 %
7. Pressurised irrigation schemes	No.	7	3	n.a.
8. Small hydroelectric power plants 1/	No.	30	24	80 %
9. OFWM training for farmers	Groups	140	105	75 %

1/ not foreseen at appraisal

57. Twenty-four small hydroelectric power plants have been completed while the work is in progress on another ten such schemes. These power stations include a locally manufactured penstock and turbines while the generators are of Chinese origin, ranging between 5 and 15 KW. The criterion for such plants, i.e. serving a minimum of 30-40 households is met by and large, meaning that about

1 200 households will ultimately benefit from access to electricity. On the whole, it is estimated that the PC-I physical targets will be met for all items of the sub-component.

58. **Provincial and feeder roads (35 per cent of base cost, 56 per cent of revised PC-I).** This component is the one with the most significant target increases or additions in the PC-I compared to the Appraisal Report. For this reason, Table 8 also indicates the appraisal targets. The project initially provided for 45 km of provincial roads. It was revised in June 2004 to include improvement and black topping of 100 km of roads in Lower Dir area and the construction of 60 km of shingle roads in Upper Dir. Provincial roads were reduced from 45 to 41 km and completed in 2002. Four bridges in Lower Dir and eight reinforced cement concrete (RCC) bridges as well as four suspension bridges were also added in the revised PC1.

59. The provincial road Gal-Sunderwal through Barawal Bandi (21 km) and Manlay-Sarlara-Samarbagh (20 km) passes through a steep hilly area and represents a challenging task for engineering surveys, design, supervision and contract administration. The road section from Barawal to Gal was inspected on 29 June 2007. This section shows signs of massive damage. The road embankments have caved in many places, and a big number of box culverts have suffered structural failure. There is on-site evidence that inappropriate design of box culverts and deficient protection and drainage structures, especially in slide prone areas, have caused these problems. The absence of timely maintenance and repair, an explicit commitment of GONWFP in the Loan Agreement[34], has further accelerated the structural damage. The 100 km black-topped provincial roads in Lower Dir constructed through Works and Services Department were also visited by the mission. They are in better condition, but again, maintenance is currently not assured[35].

Structural damage due to a badly designed culvert on Barawal-Gal road, km 2.9
Source: M. Javaid Ahsan Khan

60. The files at the Works and Services Department are devoid of most of the state-of-the-art supporting documents that are normally required to build a road. It appears that there was a blind replication of some standard designs without giving consideration to geological and soil surveys, adequate field surveys to prepare longitudinal and cross sections at appropriate intervals, and the preparation of locally adjusted contour plans and curve, gradient and pavement designs. Watershed management measures in big and/or steep catchment areas have neither been planned nor implemented. Again, the review of the Appraisal Report and the related working papers suggests that

[34] IFAD and Islamic Republic of Pakistan, Loan Agreement, Schedule 4, Article 16, Rome, 1996.

[35] As highlighted by the Works and Services Department at the initial briefing and at the wrap-up meeting.

the generic design inputs were sufficient at that time; the real problem was and still is the required adaptation of these specifications to the environment.

Table 8. Roads Targets and Achievements

Provincial and Feeder Roads	Unit	Appraisal Targets	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
A. Provincial Roads					
1. Provincial roads	Km	45	41	41	100 %t
2. Black topping Lower Dir	Km	0	100	83.4	83 %
3. Shingle Roads Upper Dir	Km	0	60	43	72 %
4. Suspension Bridges	No.	0	8	6	75 %
5. RCC Bridges	No.	0	4	3	75 %
B. Feeder Roads					
6. Feeder Roads	km	200	300	154	51 %
7. Black topping of feeder roads	km	50	80	34	43 %
8. Suspension Bridges	No.	0	11	10	91 %
9. RCC Bridges	No.	0	5	3	60 %

61. In the feeder road sub-component, contractor services are provided by the VOs, which are awarded the work based on average tender rates. Most of the tenders were awarded at seven to eight per cent below the 1997 Composite Schedule of Rates (CSR). The land for the roads is provided by the communities as their contribution. Except minor disputes, VOs have acquired land for construction of roads with relatively more ease than the provincial Works and Services Department. In relation to VO cost sharing, an amount of 30 per cent is deducted from their running bills. An additional 10 per cent, assumed to be the contractor's profit, are also deducted. Implementation quality compares well with the similar roads constructed by contractors who are hired by the Works and Services Department. While the feeder roads are likely to be completed by June 2008 as 154 km are done and 91 schemes on 138 km are under implementation, blacktopping of feeder roads is somewhat slow.

62. **Employment generation**. **(16 per cent of base cost, 11 per cent of revised PC-I):** The employment generation component of DASP includes three sub-components, i.e. (i) micro-enterprise promotion, (ii) promotion of income generating activities and (ii) technical training and apprenticeships of unemployed youth. The micro-enterprise promotion targeted either prospective or existing micro-enterprises and focused on enterprise development, business and technical skills related training modules, covering a total of 875 persons or 98 per cent of the PC-I target, at an average cost per person-day of training of approximately PKR400. The PMU has established unit costs per person-day of training for the whole component, which allows comparisons across all training activities. Table 9 shows the details related to physical implementation of the sub-component. While training and surveys have been completed, by and large, as per PC-I targets, enterprise analyses have only been marginally implemented. The reason given by the PMU is that the quality of such analyses provided by consultants was generally unsatisfactory.

Table 9. Micro-enterprise Development Targets and Achievements

Micro-enterprise Development	Unit	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
Training, Surveys and Studies				
1. Enterprise development training	Persons	150	154	103 %
2. Business skills improvement training	Persons	210	200	95 %
3 Technical skills improvement training	Persons	525	521	99 %
4. Surveys on agricultural surplus, returning migrants, market identification and enterprise profiles	No.	4	4	100 %
5. Enterprise analyses	No.	38	9	24 %
6. Product identifications	No.	36	27	75 %

63. The micro-enterprise development sub-component was designed to be supported by targeted credit lines to be made available through the Bank of Khyber. The budget to this effect, PKR 64 million, has been used only to the extent of PKR 28 million or 44 per cent. The Bank of Khyber withdrew from the DASP in 2004, the reasons of which are given in Chapter II.E. The consequence of this development is that the micro-enterprise development sub-component now lacks a direct financial enterprise assistance tool for the project target population. The Bank of Khyber continues to be active in Lower Dir for the general public. However, interviews conducted with entrepreneurs however seem to indicate that: (i) most of the investment needed was made thanks to family assets and remittances, and (ii) many entrepreneurs are reluctant to take credit, not for the perceived high interest rates but rather for fear committing *haram*, i.e. something forbidden under strict observance of Islamic law. The DASP has approached various religious scholars for advice, with the objective to overcome the impasse (see paragraphs 65-66).

Knife maker in Dir
Source: Ernst Schaltegger

64. The promotion of income generating-activities differentiates between male and female clients and thus in training subjects. The main emphasis within the female target population, in terms of number of trainees, was given to community trainers, followed by appropriate technology training. In terms of person trained, 61 per cent of the total is female. The male clientele received priority in marketing and business skill training. In total, this sub-component benefited 2 000 persons with an average cost per person-day of training of approximately PKR 500 (see Table 10).

65. The income generating sub-component was also designed to provide revolving funds for micro-credits, with the eligibility criteria of being a VO or WO member, respectively. To date, only 530 credits, against a target of 800, with a 12 per cent annual mark-up, have been extended (425 for male and 105 for female borrowers, with PKR 7.35 million disbursed against a target of PKR 9.39 million). The cause of this modest achievement is the reluctance to take loans with interest, for the reasons mentioned in paragraph 63. The DASP has sketched a methodology for an Islamic mode of lending (*Murabaha*), which started on a pilot basis in December 2006. It has materialized so far in 55 cases (20 male and 35 female), with total disbursements and outstanding balance of PKR 0.82 million and 0.72 million, respectively.

66. Despite the apparent acceptance of the Islamic mode of lending, the challenges of this undertaking, short of one year to project completion, are considerable. *Murabaha* is based on relations

between a seller and a buyer whereby both commercial margins of the seller and buyer's payments in instalments are allowed. Some forbidden features of *Murabaha* are: (i) rescheduling of payments causing additional cost for the buyer, (ii) future or forward sales, (iii) goods that are not in the custody of the seller, (iv) collaterals on the goods to be purchased, and (v) sales contracts related to services. *Murabaha* might work between VO or WO members and their respective CBOs, or between the latter and a CBO Apex Body when the purchase and later resale of goods are involved. However, the prospects of the *Murabaha* pilot project and its wider implications are uncertain, especially when considering the upcoming project completion.

Table 10. Income-generating Activities Targets and Achievements

Income-generating Activities	Unit	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
Training, Credit for Income-generating Activities and Studies				
1. Marketing and business skills training, male	Persons	400	390	98 %
2. Enterprise training, male	Persons	150	168	112 %
3. Appropriate technology training, male	Persons	245	232	95 %
4. Marketing and business skills training, female	Persons	60	95	158 %
5. Vocational training of community trainers, female	Persons	705	676	96 %
6. Enterprise training, female	Persons	45	51	113 %
7. Appropriate technology training, female	Persons	380	405	107 %
8. Credit for Income-generating activities	PKR million	9.39	7.35	82 %
9. Study on impact and sustainability of revolving fund	No.	1	1	100 %

67. The technical training and apprenticeship sub-component is the one with the most quantitative client outreach. Over 3 600 persons underwent formal training with durations of 140 to 520 days, with very competitive average cost per person-day of training. These vary between PKR 60 for male trainees, and 240 for females, thereby indicating that DASP went at great lengths in providing for the necessary environment and logistics related to formal training of female professionals. Close to one third of trainees are women, and a particularly visible highlight is the female medical technicians training, over a period of 520 days, and involving 125 persons (Table 11). The DASP has made successful institutional linkages and sub-contracting arrangements, for instance with the Pak-Holland Metal Project (PHMP).

Table 11. Technical Training and Apprenticeship Target and Achievements

Technical Training and Apprenticeships	Unit	Revised PC-1 Targets	Cumulative Achievements as per June 2007	Percentage Against PC-1
Training, Apprenticeships, Studies and Workshops				
1. Short-term technical training, male	Persons	1 490	1 582	106 %
2. Technical training for 1 or 2 years, male	Persons	450	460	102 %
3. Apprenticeships, male	Persons	630	566	90 %
4. Short-term technical training, female	Persons	300	300	100 %
5. Technical training for 1 or 2 years, female	Persons	90	76	84 %
6. Apprenticeships, female	Persons	300	288	96 %
7. Primary teaching course, female	Persons	350	260	74 %
8. Medical technicians training, female	Persons	150	125	83 %
9. Training needs and institutional assessments	No.	3	1	33 %
10. Follow-up workshops	No.	3	1	33 %

68. **PMU including monitoring and evaluation (seven per cent of Base Cost, four per cent of Revised PC-I)**. The PMU presently avails of 90 staff members of which a dozen are women, mostly for attending to the WOs. The PMU sub-contracts the implementation of components and sub-components while all community development activities and those of the feeder road sub-component, since the dissolution of the rural Development Department, are executed by the PMU itself. In terms of monitoring and evaluation, the PMU maintains the extensive databases for the three SOUs in relation with CBO promotion, monitors, on a quarterly basis, the implementation of activities and compares achieved outputs against PC-I targets, and has conducted impact assessments of the Community Development Fund and on education, health and empowerment in connection with CBO promotion. In terms of PMU internal output generation, the PMU quarterly reports, while rich in information on output generation, reveal some weaknesses related to management information systems (MIS). In fact, none of the three MIS specialists and only one of the two planned computer programmers has been recruited. This omission had the effect that no genuine MIS is available that would provide signals from observed changes at goal and purpose level of the project down to current management decisions (see paragraph 89).

C. Attaining Project Objectives

69. As explained in paragraph 28, the project's logical framework had to be reconstructed in such a way that the following four objectives remain: (i) boosting agricultural production; (ii) increased employment; (iii) improving the status of women; and (iv) improving market access. The degree to which these objectives were reached will be measured here by using both the outcome indicators mentioned in the logical framework as well as additional data gathered in the project area and from the PMU.

70. **Boosting agricultural production**. The Appraisal Report based its forecast for increased agricultural production on three factors: (i) the added command area due to irrigation and soil and water management interventions, (ii) the partly concomitant increase of cropping intensities, and (iii) the anticipated uplifting of crop and animal productivity due to better seed, breeding animals, including artificial insemination, and improved crop and herd management and animal health. At project formulation, painstaking efforts were made to define seven representative farm models, irrigated and rainfed, by anticipating net crop and livestock income, returns per labour-day and incremental returns per incremental labour-day, in the classical without and with project comparison. For food grains, the Appraisal Report calculated an incremental production of 10 100 MT over the project period, and of 15 900 MT for potatoes over the project period-

71. The agricultural baseline[36] and the agricultural impact[37] studies commissioned by the project did not refer to the Appraisal Report, the farm and livestock models contained therein, and the projections of returns per labour-day. In particular, the agricultural impact study failed to state yield and production figures in absolute terms. It is therefore necessary to compare the production figures available at appraisal with recent statistical data on Lower und Upper Dir. To a certain extent, this is possible with regard to the food grains wheat, maize and paddy.

72. Production data for 1994-95 in Figure 2 are sourced from the Formulation Report[38], from the Appraisal Report for 2002-03[39] and from official district production statistics for 2004-05[40]. Since the

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[36] IDS, Baseline Study of the Dire Area Support Project, Islamabad, 2000.

[37] Associates in Development (AID), Impact Analysis of the Agriculture Development Component of the Dir Area Support Project, Peshawar, July 2005.

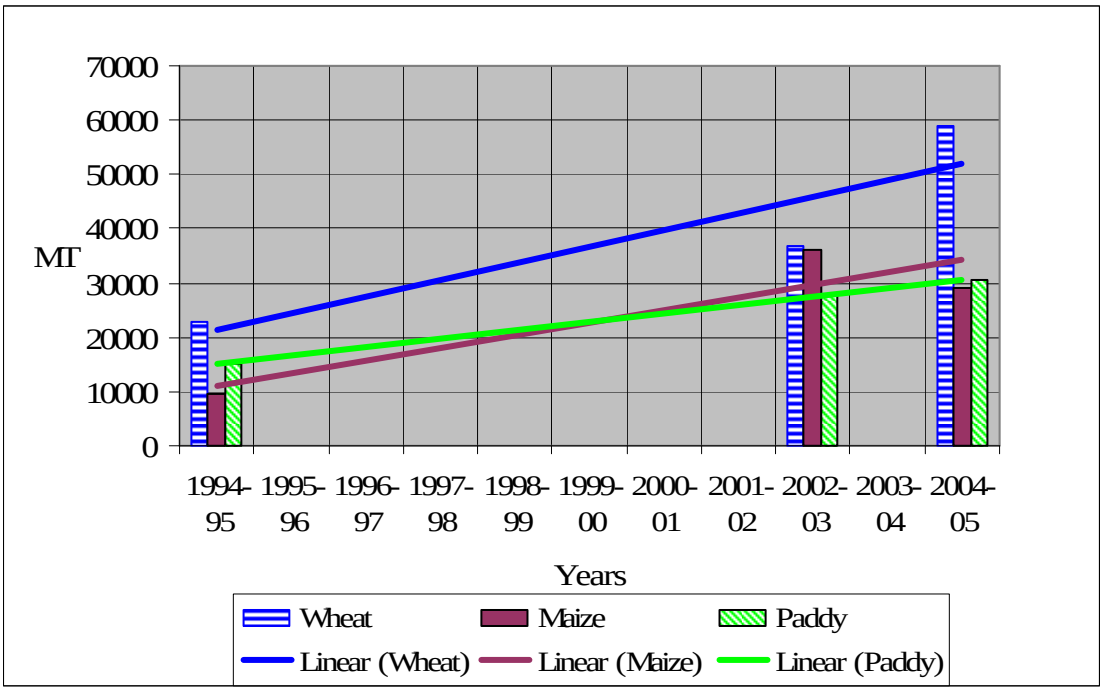
[38] IFAD, Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project, Formulation Report No. 734-PK, Vol. 2, Rome, 26 March 1996, Annex 3, p. 9.

[39] IFAD, Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project, Appraisal Report No. 706-Pk, Rome, 26 October 1996, p. 44.

[40] GONWFP, Development Statistics 2005, Planning and Development Department, Bureau of Statistics, Peshawar, 21 August 2006, pp. 26-28.

Appraisal Report production data for 2002-03 (the then assumed year of project completion) were calculated for the 14 500 participating households, the incremental production data needed to be extrapolated from the benefiting 14 500 households to the total number of households at appraisal (47 200) and added to the 1994-95 production figures. Finally, these sums have further been extended from the project area population to the total of the district population (from 60 per cent to 100 per cent). For a completion evaluation, this approximation is far from being satisfactory. Figure 2 therefore only infers that the production of the three mentioned food grains has indeed increased, more than anticipated for wheat, about as much as foreseen for paddy and slightly less for maize. However, it is not possible to attribute this increase to the DASP alone (see also paragraph 73).

Figure 2. District Production Figures for Wheat, Maize and Paddy, 1994-05 to 2004-05 (Lower and Upper Dir Combined for 2004-5)



73. Factors that indicate the direction of *food grain production increases of the participating households in the project area* are: (i) the reduction by five per cent of fallow land in both the winter and summer seasons, by the year 2005 as compared to the time before the DASP[41], (ii) the increase of newly cultivable land, either in form of irrigated command area (750 ha) and rainfed area (459 ha) gained by soil and water conservation measures, both as direct consequences of DASP interventions, (iii) the increase of cropping intensities on the total irrigation command area of 5 500 ha, by 100 per cent weighted by area size, (iv) the use of improved cereal varieties covering 70 per cent and 100 per cent of the cropped cereal areas in Lower and Upper Dir, respectively, and (v) the adoption of improved crop management techniques. The national statistics on production and yields obtained per district[42] infer that the effective yields in the crop cycles 2005-06 at district level of Lower and Upper Dir match the appraisal estimates of end-of-project yields for wheat while they are somewhat lower for maize and paddy. Taking into account all above factors, it is fair to conclude that agricultural production may have been boosted somewhat above the level of the incremental 10 100 MT of food grains and *that this increase may be attributed to the project*. For potatoes, no statistics are available, and the agricultural impact study indeed confirms that potato cropping has not taken off in a big way.

74. Regarding livestock production increase, due to better genetic potential, animal health and feeding, data availability is even more precarious than for crops. The only reference is the DASP Self

[41] Ibidem, Pages 15-18.

[42] Ministry of Food and Agriculture, Economic Wing, Crops Area and Production by District 2005-2006, Islamabad, 2007.

Assessment Report[43], which reports that cattle milk production increased from three to four litres per day to 8-12 litres per day, puberty periods decreased to 18-22 months from 42-48 months whereas lactation periods increased to 370-390 days from 150-180 days. While the increase of daily milk production and the decrease of puberty periods appear to be in a feasible range for an F-1[44] crossbreed, the purported extension of the lactation period up to 390 days is highly unlikely and not desirable either from a breeding point of view. Assuming that out of the 5 400 female cattle and the 600 female buffalo offspring (see paragraph 54) 75 per cent are now in productive age, with an incremental milk production of 4 litres per day over a lactation period of 230 days, the project would have directly contributed to some 4.1 million litres of incremental milk production per lactation.

75. **Increased employment**. The respective indicator set at appraisal was 4 600 additional jobs created by the project. The DASP has kept track of all trainings and apprenticeships provided by the project since inception. In the three sub-components of micro-enterprise development, income generating activities and technical training and apprenticeships, a total of 6 500 persons has been trained, ranging in duration from 8 to 520 days. When adding 3 600 CEWs, seed farmers and input dealers trained in the crop development sub-component of Table 5, as well as 900 CLWs and female poultry workers of Table 6, and 250 nursery operators, more than 11 000 persons have undergone training with the aim of generating employment. A follow-up workshop has lead to the insight that technical training and apprenticeships have generated self-employment to the extent of 43 per cent, wage employment of 33 per cent, overseas jobs to the tune of 10 per cent, while 14 per cent remained unemployed. Assuming that only 70 per cent of the above mentioned 11 000 trainees have found sustained employment, the project is likely to have directly contributed to create jobs for about 7 700 persons, thus surpassing the indicator set at appraisal.

76. Technical training and apprenticeships can be considered as a booster for the micro-enterprise promotion sub-component because many of the trainees have found jobs in the clusters mentioned below. Not all the persons assisted have remained micro-entrepreneurs in the strict sense of the term. The DASP has been facilitating enterprise clusters such as furniture and knife making, poultry rearing, welding, automotive repair and light engineering. In many instances, the promoters trained and coached by the project have become seasoned entrepreneurs, also due to the fact that the DASP has established institutional linkages with centres of excellence, the Chamber of Commerce and Industry of Peshawar, the Export Promotion Bureau of Pakistan and the Small and Medium Enterprise Development Authority (SMEDA). The observed employment generation effect has consequently benefited from direct synergies between these two sub-components. IFAD's new Private Sector Policy[45] states that one of the most critical areas of intervention will be equipping the rural poor to face new market forces and to partner with the surrounding private sector on a more equitable basis. In this respect, the DASP has successfully anticipated IFAD's new policy.

77. **Improved status of women**. The logical framework of the Appraisal Report captures the increased status of women only in terms of monetary income, set at PKR20 000 – 50 000 per year. No comprehensive data are available to sustain the achievement of this target. However, anecdotic evidence infers that the anticipated income growth for women has materialized for female poultry extension workers, forestry nursery operators and in trades such as handicrafts and other professions, within the annual income range of the indicator, and possibly for about 1 500 women. This figure is an estimate derived from the sum of all beneficiaries of female training modules implemented by the DASP in the crop, livestock, forestry, income generation and technical training sub-components, but without counting training provided for WOs. This sum reaches 3 000 women over the project's life. Assuming that 50 per cent of these have found sustained income opportunities, the given figure of 1 500 women may be a fair approximation. The non-income related improvement of women's status is given consideration in Chapter III.B.

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43 DASP, Self-Evaluation Report, Timergara, 2007.

44 F1 is the first (filial) generation after a crossing.

45 IFAD, Private Sector Policy – Development and Partnership Strategy, Rome, February 2007, p. 24.

78. **Better market access**. For provincial roads, no detailed assessment is available. The Appraisal Report estimates 42 000 beneficiary households. As mentioned in paragraph 94, the number of rural households has practically doubled between the census of 1990 and 2005, assumed to be mostly due to hereditary partitions. It is therefore safe to assert that the number of beneficiary households of provincial roads is likely to be higher than assumed at appraisal. The DASP has conducted an outcome assessment of feeder roads and black topped feeder roads[46] in the project area, stating that 9 900 households are benefiting from feeder roads as per June 2007[47]. By comparing traffic frequencies before and after project interventions, it has roughly doubled from 1 370 to 2 700 daily trips. Trip fares have been reduced to the tune of 10 per cent in average only, reportedly due to the concomitant increase in fuel cost. The transport operators have indicated an aggregate decrease of monthly maintenance costs in the order of PKR 250 000, on feeder roads and black topped feeder roads combined. Even when considering the difficulties in obtaining accurate figures related to the surveyed topics, the conclusion is positive: the DASP has definitely contributed to better market access. Whether this is sustainable over the longer term, in view of road construction quality and the still unresolved or undefined maintenance issues, is debated in Chapter III.C.

D. Assessment: Relevance, Effectiveness and Efficiency

79. **Relevance**. Considering the pace of VO and WO formation, the effective commitment and multiple activities carried out, it is obvious that the DASP has found visible and vivid response to the array of changes proposed to the CBOs, which can be perceived as a good proxy for relevance. The component mix has drawn on experience from other projects and corresponds to established strategies. It addresses causes of rural poverty. As highlighted in chapter II.A, the project design and its mode of operation were coherent with the valid Country Strategy for Pakistan at the time of appraisal. Relevance in terms of consistency with strategic documents remains high, when comparing it with the COSOP of 2003 (paragraph 32) and with the PRSP, which was formulated by GOP in 2003 (paragraph 33). Likewise, the regional evaluation of IFAD's strategy in Asia and the Pacific (EVEREST) states that all approved IFAD projects between 1996 and 2001 address the strategic priorities defined in the 2002 Asia and Pacific Strategy (APS). On the other hand, some adaptive research topics (fruit orchards and chemical weed control) and items procured, such as sophisticated topographical equipment, cannot be deemed relevant. More concerning in relation with project relevance was the failure of the project design to address foreseeable implementation deficiencies, i.e. the unsatisfactory record keeping routines of the participating line departments. This should have been mitigated by a more systematic implementation support through training and technical assistance where needed. Given these considerations, relevance is rated 4 (moderately relevant).

80. **Effectiveness**. The four project outcomes analysed in Chapter II.C. have been attained on the whole. As pointed out in paragraphs 70-74, the triangulation of data from various sources infers that significant incremental agricultural and livestock production in the project area have been achieved, with the exception of potatoes for which no statistical data exist. In terms of off-farm of employment generation, the DASP has been very effective to date, due to the better than planned performance of the employment generation component and successful synergies between technical training and enterprise promotion. Village-based job creation has also been significant (paragraph 75). Income increase (the only indicator related to improved status of women in the logical framework) may have reached 1 500 women at least (paragraph 77). Market access due to the construction of provincial and feeder roads has been improved undoubtedly, as mentioned in paragraph 78. This outcome can exclusively be attributed to the project. Given the difficult geographical and socio-political context in which the project operates effectiveness is rated 5 (effective). This is done despite serious blank areas in the monitoring of project outcomes, especially in terms of agricultural development and improvement of women's status.

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[46] DASP, Impact Assessment of Feeder Roads, Timergara, not dated.

[47] Given the targets of 300 km of feeder roads and 80 km of black-topped feeder roads, the likely completion of which is 30 June 2008, the number of benefiting households is likely to be doubled, i.e. close to the number of households being members of a VO (20 000).

81. **Efficiency**. Project outputs have been generated at comparatively low cost (see Appendix 7 – Table 1) against the achievement of physical targets, which may come close to 100 per cent or above in most of the components by June 2008. In foreign currency equivalents, and strictly related to quantitative outputs versus costs, the project has achieved more with the same funds over a project life extended by close to 60 per cent. Good efficiency (and transparency) indicators are the costs calculated for training day and person by the Employment Generation Unit of PMU, which should become good practice for all training activities of the project. Short-term training and apprenticeship costs per person and day of less than the minimum daily wages are to be considered efficient (see paragraph 67). Cost comparisons with other road projects (Murree Hills and earthquake affected areas of Azad Jammu and Kashmir)[48] infer that these are in the order of PKR 4.8 million/km while in the case of the DASP, the per km cost is around PKR 2.1 million. As mentioned in paragraphs 59, the mission has serious concerns related to quality and future transit ability of the provincial roads. Another shortcoming is that it is not possible, with the available data, to precisely assess whether the expected rates of return for agriculture and livestock activities (98 per cent of the anticipated net benefit stream in year 10) are attainable by project completion, because of methodological flaws found in the subsequent baseline and impact studies (paragraph 71). The triangulation from other data sources (paragraphs 70-74) however suggests that: (i) assumed physical productivity increases (food grain and milk yields) estimated at appraisal were realistic in hindsight; and (ii) the number of farm households participating in the generation of the effective benefit stream is substantially higher in reality than assumed at appraisal. Consequently, the rating given is 4 (moderately efficient).

E. Performance of IFAD and its Partners

82. **IFAD**. As mentioned in paragraph 27, IFAD has provided substantial and very detailed design inputs in the Formulation and Appraisal Reports, despite some consistency flaws in the logical framework, the indicators chosen and the assumptions made. What is more concerning, based on documentary evidence, is that the project design failed anticipating foreseeable implementation weaknesses, such as the capability of the concerned line departments (quality and maintenance assurance of provincial roads) and the ability to guarantee state-of-the-art of agricultural and livestock extension services. As it appears, these concerns were left to supervision missions (see paragraphs 85-86).

83. Much can be learned about IFAD's performance in Pakistan in a regional evaluation of IFAD's strategy in Asia and the Pacific (EVEREST) [49]. This document confirms that between 1996 and 2001, all five of the approved IFAD projects (including the DASP) address the strategic priorities defined in the 2002 Asia and Pacific Strategy (APS) in terms of: (i) geographical niche (all five projects focus on mountain areas and four amongst them mention arid/semi-arid and rain fed areas); (ii) target groups (all five projects mention women and three list tenants and/or landless as key target groups; (iii) objectives (all five mention some kind of infrastructure development, NRM and enterprise development/marketing, whereas women or gender equality empowerment of rural poor are mentioned as objectives in two projects, rural poverty alleviation is mentioned in one and credit or microfinance is mentioned in four projects), inferring coherence with the APS. However, the evaluation critically concludes that "IFAD-assisted projects in Pakistan are derived from a flawed (country) strategy, designed with unrealistic assumptions and mired in inefficiency. They are subject to delays, weak supervision and MTR-induced reengineering just once in the life of an approximately ten-year project. They are resistant to impact assessment and evaluation, even in the second phase; oblivious to knowledge except that which accrues through experiential learning; and ineffectual in terms of advocacy and policy influence[50]".

84. It is true that PI has substantially improved design features and implementation arrangements of new projects in Pakistan since EVEREST was published. However, many of the above assertions still

[48] Data enquired by M. Javaid Ahsan Khan.

[49] IFAD, Evaluation of the IFAD Regional Strategy (EVEREST) in Asia and the Pacific, Pakistan Country Working Paper (CWP), Office of Evaluation, Rome, 3 February 2006, p. 12.

[50] Ibidem, p. 39.

apply to the DASP, specifically in operational terms. Initial delays did occur, and supervision missions had only a limited impact, including the MTR (see paragraph 85). Impact assessment indeed is weak, as evidenced in particular in relation with agricultural and livestock extension, and knowledge management is conspicuously absent in many areas where interesting lessons could have been learnt. There is no documentary evidence that the DASP has conducted advocacy and sustained policy dialogue in connection with project implementation. The mission also concurs with the explicit critique of EVEREST regarding the rating of supervision missions[51]. Country Programme Managers (CPMs) of IFAD rated overall performance of Collaborating Institutions (CIs) as A, despite a supervision frequency of less than 0.8 per year, as in the case of the DASP, and despite persistent B ratings[52] for supervision impact on project implementation. Once a project is approved, attention appears to wane under the spell of an *approval culture*, a term coined by critical observers of World Bank practice in the early 1990s. IFAD has recognised the limitations of a far-reaching outsourcing of supervision and implementation support functions to CIs such as UNOPS (see paragraph 85), and has recently published a new policy[53] in this regard. IFAD performance rating is 3 (moderately unsatisfactory).

85. **UNOPS**. The United Nations Office for Project Services (UNOPS) was designated to be the CI of the DASP. In this function it administered the loan and organised and implemented supervision missions. While loan administration is apparently no major problem, the supervision missions are a matter of concern. The Appraisal Report has established supervision mission schedules of two per year, not including the Mid-Term Review (MTR). In reality, only seven supervision missions have been fielded by the United Nations Office for Project Services (UNOPS), spread at irregular intervals from the fourth quarter of 1999 to the fourth quarter of 2006. The MTR took place in early 2000, indicating that a follow-up MTR would be fielded in 2001, containing the relevant re-design elements of the project. This report is not on file at IFAD. In terms of documented findings and recommendations, all supervision missions went at length to assess project progress, and various special reports provide partly valuable insight on CBO development, the politico-religious background and gender aspects, to which attention was reinforced in the last three supervision missions.

86. However, from a project implementing point of view, the real problems related to the UNOPS supervision missions were the profuse, and partly repetitive, findings and recommendations that were far from user friendly. Only the last supervision has an aide-mémoire on file, which would be the appropriate way to select the most important and/or urgent findings and recommendations at SDU level. Only the supervision mission of July 2004 noted some damage on the 41 km of provincial roads (see paragraphs 58-60), however without flagging the issue and without formal recommendation except that environmental impact studies needed to be prepared. In the light of the above, UNOPS performance is rated 3 (moderately unsatisfactory).

87. **GONWFP**. Pakistan has undertaken a wholesome approach to decentralisation with far-reaching devolution of political and fiscal powers to provincial and local governments. It is for this reason that the Government's direct interface with the project is the SDU of P&D of GONWFP. It has the overall responsibility of creating an enabling environment for a considerable number of mostly donor financed projects and of coordinating, at provincial level, the participating line agencies. SDU has assured that the posting of PMs at the PMU was relatively stable, compared to other projects such as South FATA and the Barani Area Development Project. However, fluctuations of the remaining PMU staff continue to be high to date, despite various recommendations by supervision missions to adjust the pay scale of PMU staff. Recent staff desertions to other projects within NWFP provide evidence of this unresolved distortion. GONWFP performance is also a matter of concern with regards to its oversight of line agencies, which do not appear to comply with fundamental monitoring and data processing requirements (see also paragraph 88). In terms of investments put at risk, the quality standards of the provincial roads is of most concern as they constitute the single most important cost item with 39 per cent of PC-I outlay. In this area, the role of GONWFP is at stake since it is

[51] Ibidem, page 27.

[52] A stands for satisfactory and B moderately satisfactory.

[53] IFAD, Supervision and Implementation Support Policy, Rome, September 2007.

responsible for setting clear quality standards and for awarding work orders only to qualified contractors and supervising engineers. GONWFP performance is consequently rated 3 (moderately unsatisfactory).

88. **Line agencies**. District line agencies provide staff and know-how for agricultural and livestock extension, social forestry and watershed management, soil and water conservation, irrigation and provincial roads. While physical outputs as such to date have been attained to a considerable degree, record keeping along the sequence from activities to outputs and effects is unsatisfactory in areas where technology adoption decisions, and their effects in terms of yields, costs and margins, are not easily observable. In social forestry, soil and water conservation and irrigation, such observations are relatively straightforward while agricultural and livestock development require elaborate tools for effectiveness and impact assessments. The Agricultural Extension and Livestock and Dairy Development Departments fail to live up to these requirements. The situation with the Works and Services Department is more serious still because the usefulness and sustainability of the provincial roads built are directly threatened. On the whole, the performance of the participating line departments is rated 3 (moderately unsatisfactory).

89. **PMU**. Despite the staff fluctuation problems, the PMU gives the impression of a functioning machinery. The administration of the project, with an extensive number of institutional sub-contracts and a substantial part of implementation on its own, requires management skills. The adaptation to a difficult socio-political context implies the ability to assess complex situations, to establish and maintain relations with political and religious leaders and to take appropriate decisions. It is fair to say that the PMU has this ability to a considerable degree, including the incentive to venture in unconventional issues such as Islamic modes of financing (see paragraphs 65-66). On the other hand, the generally low quality of surveys and impact studies carried out has much to do with deficient terms of reference, for which the PMU has a clear responsibility. Regarding impact monitoring and evaluation, the PMU does not avail of the required methodologies, this being a common trait of IFAD projects in Pakistan[54]. PMU rating is 4 (moderately satisfactory).

90. On the basis of the disaggregated assessment of the performance of the GONWFP, the line agencies and the PMU as presented above, overall Government performance is rated 3 (moderately unsatisfactory)

91. **Bank of Khyber (BOK)**. The original role assigned to BOK at appraisal was to provide it a credit line for the micro-enterprise development sub-component in order to enable easier access to institutional credit for those entrepreneurs who are constrained by shortage of capital[55]. The collaboration with BOK was terminated by December 2004. The credit line availed by the DASP has never reached 10 per cent of VO members, compared to the on-lending volume, and no WO member was ever given access to a BOK sponsored loan. In hindsight, BOK involvement under the specific circumstances of the DASP proved to be a mission impossible, due to the following facts[56]: (i) BOK rules and regulations do not permit operations outside a given district while there is only one agency in Timergara, thus eliminating Upper Dir District from being attended, (ii) BOK is a GONWFP undertaking with current refinancing costs of nine per cent (7.5 per cent in 2004), (iii) on-lending at 14 per cent to groups and 16 per cent to individuals is deemed insufficient for generating sufficient spread, with the consequence that it now stands at 18 per cent for the latter. In June 2007, BOK had an outstanding micro-credit portfolio of PKR 220 million at 18 per cent interest, of which 70 per cent were rural borrowers by numbers and 50 per cent by value. More than 90 per cent of these loans are under PKR50 000, with an average of PKR20 000. Cumulative recovery amounts to 93 per cent but the assessment of the currently outstanding loans infers a possible default rate of 25 per cent. Not surprisingly, GONWFP has reached an impasse regarding the micro-credit policy and strategies to be

[54] IFAD, Evaluation of the IFAD Regional Strategy (EVEREST) in Asia and the Pacific, Pakistan Country Working Paper (CWP), Office of Evaluation, Rome, 3 February 2006, Page 40.

[55] IFAD, Islamic Republic of Pakistan, North West Frontier Province, Dir Area Support Project, Appraisal Report No. 706-Pk, Rome, 26 October 1996, Page 35.

[56] Interview with Mr. Nasim Khan, Head, Microfinance Department, BOK, on 22 June 2007.

evolved in all rural support projects in the province, and would welcome promising conceptual inputs. BOK performance, strictly in relation with the DASP, is rated 2 (unsatisfactory).

92. **Beneficiaries or clients**. The degree to which the participating VOs and WOs are put to task by the DASP would deserve to term them clients rather than beneficiaries. Their financial contributions amount to PKR 113 million per June 2007 (13 million for community development, 12 million for soil and water conservation, 49 million for irrigation and 39 million for feeder roads). As long as the lifeline to a pro-active support is intact, this performance is likely to be sustained. Considering this caveat, a rating of 4 (moderately satisfactory) for the performance of VOs and WOs appears justified.

III. PROJECT IMPACTS

A. Targeting and Outreach

93. The project has followed the targeting criteria proposed by the Appraisal Report. In the so-called Village Targeting Forms, i.e. Excel sheets with information on housing, physical and social infrastructure of each identified village, served as guide for selecting such villages for potential collaboration[57]. Not all the eligible villages finally decided to enter into collaboration with the DASP. Based on the available evidence, it can be concluded that village selection was based on some, but not all possible, criteria to determine whether a household was poor. In fact, a village is chosen to be eligible based on its overall poverty profile and captured by the Village Targeting Forms, but not on individual household poverty profiles. These criteria were also applied before reaching a selection decision. In short, the targeting methods applied by the DASP appear to fairly correspond to IFAD's Targeting Policy[58], which was published in 2006, especially regarding community participation in the targeting exercise.

94. The mission's visits to both a dozen VOs and WOs suggest that not all households are poor according to the landholding threshold of one ha or less of the Appraisal Report. In this context, it is interesting to take note how the VO members define poverty. According to them, a household is poor when the (male) household head has to work outside the village because his landholdings are insufficient for a livelihood. This means, in practical terms, that those households cannot be VO members because their heads are absent. On the other hand, landless or tenant households with resident heads have no restriction to be included into VOs. This has been verified by the mission. The average participation ratio of households in VOs is 68 per cent. When considering that the number of farm households with land holdings under one ha has practically doubled in the project area between 1990 and 2005, mostly by hereditary partition[59], there is a natural propensity of having progressively more landholdings that fit into the poverty definition of the DASP. Due to this fact, and also acknowledging the project's commonsense and drive for socially acceptable inclusiveness, the poor have been reached in an effective way with the project reaching out to 24 800 VO/WO households against a target of 14 500.

B. Rural Poverty Reduction Impacts

95. **Impact domains**. The mission assessed rural poverty reduction impacts according to the impact domains listed in table 12, which will be further detailed in the following paragraphs. Two of the impact domains listed in this table have indirectly been captured also at outcome level, i.e. agricultural productivity as a factor contributing to increased agricultural production and rural roads facilitating market access (see paragraphs 70-74 and 78, respectively).

96. **Physical assets.** Physical assets relevant for poverty reduction can either be attributed to individual households or to villages as a whole. The former include: (i) improved food grain seeds

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[57] DASP, Village Targeting Forms, separately for Timergara, Samarbagh and Upper Dir SOUs.

[58] IFAD, Targeting Policy – Reaching the Rural Poor, Rome, November 2006, Page 29.

[59] Associates in Development (AID), Impact Analysis of the Agriculture Development Component of the Dir Area Support Project, Peshawar, July 2005, Page 5.

allowing to cover 70 per cent and 100 per cent of the wheat, maize and paddy areas of the participating households in Lower and Upper Dir, respectively, (ii) some 13 000 improved cattle and buffaloes, progeny not included, and a number of improved small ruminant off-spring, possibly in the order of 3 000, (iii) rehabilitated irrigation command area of close to 5 500 ha, including 750 ha of newly claimed area, benefiting 6 000 households, (iv) 460 ha of rainfed land claimed through soil and water conservation measures for close to 2 500 households, and (v) in-house flush latrines for 925 households co-financed by the CDF. At CBO level and according to PMU impact assessments[60], village street pavement for 1 356 households, water supply system for 863 households, hand pumps for 75 households, and vegetable sheds for 67 households form part of newly available physical assets, again thanks to the CDF. On the whole, the DASP has consequently contributed to generate visible impact in terms of physical assets for more than 10 000 households, which deserves an aggregate domain rating of 5 (satisfactory).

Table 12. Impact Domains

Impact Domain	Positive Impacts	Overall Assessment
• Physical assets	• Better seed and livestock quality, irrigation schemes, household and village infrastructure	• Substantial for seeds, irrigation schemes, livestock improvement and village infrastructure
• Agricultural productivity	• Higher productivity per unit area or animal	• Substantial but not directly measurable
• Food security	• Increased household consumption	• Substantial
• Environment and common resource base	• Reforestation, erosion protection	• Substantial, but localised negative environmental impact due to partly deficent road design, implemenatation and maintenance
• Market access	• Higher traffic frequencies, lower maintenance costs and better market access	• Substantial, with sustainability concerns
• Human assets	• Increased technical and managerial knowledge and application of this knowledge, more emphasis on education	• Substantial, especially regarding village-based training and school enrolment, in particular for girls
• Social capital and empowerment	• Functioning VOs and WOs, increased dispute settlement capability, CCB registration, bargaining power for service delivery	• Substantial but requiring further support and a conducive socio-political environment regarding empowerment of women in particular
• Institutions and services	• Increased service delivery	• Substantial, from very low to fair levels
• Financial assets	• Savings of VOs and WOs, and individual savings due to increased income	• Substantial for incomes and incipient for VO/WO savings, but without clear savings allocation strategies

97. **Agricultural productivity**. This impact domain relates to: (i) having helped achieving the outcome of boosted crop and livestock production (paragraphs 70-74) and (ii) contributing to food security (paragraph 98) and the income-driven increase of financial assets (paragraph 105). As indicated in paragraphs 70-74 and Table 11, precise impact assessment is difficult because of the lack of consistent data series. Evidence gathered in VO and WO interviews and the DASP Self-Evaluation

[60] The impact assessments prepared by the DASP do not mention preparation dates. Hence, it is probable that the data do not reflect the present situation and that the magnitude of impacts is underestimated.

(paragraph 73) suggest that the project has contributed to a substantial leap in crop and particularly livestock productivity, however from very low levels. The rating for this domain is 5 (satisfactory).

98. **Food security.** According to the impact study on the agricultural development component of the DASP[61], consumption of wheat, maize and paddy has increased by 8 per cent to 23 per cent as compared to the time before the project. VO and WO interviews also consistently infer that most of the incremental milk production goes into household consumption. For households availing of crop production and livestock assets, it is reasonable to conclude that food security has been substantially improved thanks to the project, with a domain rating of 6 (highly satisfactory).

99. **Environment and common resource base.** When adding individual, group and community forestations, 4 400 ha of newly wooded area can be attributed to the project. This amounts to about 0.22 ha on average per VO household. This is not negligible for an environment where the targeted households own less than one ha of land dedicated to crop and livestock production. The potential of expanding the common and individual resource base is intact as the photograph below shows. The wooded area on the right is clearly the result of man-made forestation while the area on the left could be covered with forest as well. On the other hand, negative, but localized environmental impact must be expected on sites where road construction and maintenance deficiencies substantiate into damages such as landslides. Given the impacts achieved and the prospects for further horizontal impact expansion, a domain rating of 6 (highly satisfactory) is justifiable, despite the possible negative impacts due to localized environmental damage caused by deficient road construction and maintenance.

Feeder road with barren and afforested hillsides in the background
Source: Ernst Schaltegger

100. **Market access.** Data given in paragraph 78 substantiate the outcome of better market access, which is facilitated by higher traffic densities and lower maintenance costs borne by the transport operators. The impact achieved to date, when taking into account the partly deficient implementation quality, deserves an impact domain rating of 4 (moderately satisfactory).

101. **Human assets**. According to table 2, about 5 800 persons, 4 000 of them women, have been trained in VO/WO management and been given literacy courses. Adding the 11 000 persons trained in the agricultural, livestock and employment generation components (paragraph 73), this represents a considerable human capital accumulated by the project. This asset holds potential for social capital and empowerment (see paragraphs 102-103) and further development, requiring however continued

[61] Associates in Development (AID), Impact Analysis of the Agriculture Development Component of the Dir Area Support Project, Peshawar, July 2005, Pages 19-20.

support, especially in favour of VOs and WOs. The same impact assessment as mentioned in paragraph 96 compares the following human development indicators before the DASP and at present:

(i) The number of primary schools in the villages surveyed increased from 125 to 162 or by 30 per cent.

(ii) School enrolment in numbers of boys went up from 8 500 to 15 200 or by 79 per cent, and of girls from 3 900 to 8 200 or by 116 per cent in Timergara and Samarbagh while Upper Dir reports enrolment rate increases from 20 per cent to 53 per cent for boys and from 6 per cent to 29 per cent for girls.

(iii) Regarding health, the percentage of households availing of health care went up from very low levels (1 to 34 per cent) to a range of 11 to 70 per cent while the number of dispensaries in the surveyed villages only increased from four to five.

102. Achievements in education and health coverage cannot be attributed directly to the project, but these may have been prompted by increased bargaining power of the VOs in particular. Consequently, the impact domain rating of human assets can be set at 5 (satisfactory).

103. **Social capital and empowerment.** The mere existence of 20 000 VO and 4 800 WO households, representing about 300 000 persons, has substantially changed their status and outlook, thanks to being organized and listened to. Their social capital is enhanced, since they now exhibit better conflict resolution mechanisms, improved organizational skills, and more negotiation leverage for sourcing assistance from the line agencies, the local government, or other projects. The sample surveys conducted by the DASP capture also variables relevant for empowerment (called *socio-political uprising* by the DASP), Again, the surveys compare the variables before and after project interventions and infer the following:

(i) In the 149 sample villages, out of 7 600 households, 5 200 or 68 per cent are VO or WO members. This is a proxy measure of inclusiveness, the magnitude of which can be corroborated on the basis of VO/WO interviews.

(ii) The number of village institutions, leadership cadres and local representatives increased from eight to 159, from 125 to 555, and from 66 to 233, respectively.

104. As mentioned in paragraph 47, 70 VOs, 10 WOs and 15 clusters are registered as CCBs. This is still modest when considering the total number of VOs and WOs. At individual levels, social capital and empowerment appear to be quite strong. For the women, DASP's impact is equal to the opportunity to get "*noor*" (light), i.e. knowledge and empowerment. Despite these testimonials by women their way to a recognised place in society is still steep and full of obstacles. In 2002, all political parties, including the secular ones, made a pre-election agreement in both districts to only compete for male votes. This deal was strictly observed with the result that not a single woman was allowed to cast a vote in Lower and Upper Dir. It would be hazardous to make a forecast for the upcoming national elections in this regard. Considering both the positive impacts and the still prevailing deficiencies in empowerment, a rating of 4 (moderately satisfactory) of this impact domain appears to be adequate.

105. **Institutions and services**. The DASP sample survey on CBOs notes that access opportunities to local NGOs went up to 119 from only one before the project, and to provincial and district government bodies, to 121 from 23. This does not mean that 119 NGOs are now operating in the two districts but rather that VOs and WOs have enough leverage to enter into a meaningful working relationship with one or the other NGO acceptable to them. This is a remarkable impact when considering the anti-NGO propaganda of some years ago. Likewise, the access to public institutions and services has gone up dramatically since project inception. One interviewed VO leader put it in these terms: *the project has given us the courage to ask for services*. In this impact domain, a rating of 6 (highly satisfactory) is justified.

106. **Financial assets**. Increased financial assets are driven by income growth. The logical framework in the Appraisal Report does not set magnitudes for increased farm and non-farm incomes, while the improvement of the status of women, at purpose level, determines a target of PKR20 000-50 000 of annual income. The effective poverty reduction impact of the DASP must therefore be assessed in these terms. The non-farm income portion of poverty reduction is relatively easy to assess. With 7 700 new jobs created (see paragraph 75), each one with incremental monthly incomes in the range of PKR1 000 – 3 000 as reported by the training impact assessment study[62], the poverty reduction impact is in the order of PKR 200 million in the form of incremental annual non-farm income, thus much higher than the one calculated at appraisal (2 per cent of the net economic benefit stream).

107. As for farm incomes, the agricultural impact study[63] provides partial data that infer income gains from agricultural activities. Wheat, maize and paddy yields are reported to have increased in ten years by 26 per cent, 28 per cent and 10 per cent, respectively, hence slightly more than assumed at appraisal for rainfed wheat and maize. For paddy, which is always irrigated in the project area, the surveyed yield increase of 10 per cent is significantly lower than assumed at appraisal (59 per cent). In the same study, the corresponding income gains are given as 109 per cent, 116 per cent and 86 per cent, respectively. When applying a deflator of 1.7 to calculate real income increases, these are still in the order of 64 per cent, 68 per cent, 51 per cent, respectively. Consequently, incremental farm income earned has certainly contributed to poverty reduction. While the lack of comprehensive agricultural and livestock extension records and the flawed methodology of the impact analysis of the agricultural development component of the DASP do not allow to gauge incremental farm income from crops in precise terms, an estimate of potential income derived from milk production, attributed to only the improved cattle and buffalo breeds obtained from AI, may be tempted. According to paragraph 74, 4.1 million litres of incremental milk production per lactation is likely to be obtained. At PKR30 per litre, this would result in PKR 123 million of incremental production value per lactation[64]. However, the agricultural impact study[65] also reveals that in terms of income shares, remittances from abroad rank first, followed by own small business, government jobs and farming, in that order, albeit with significant differences between villages. This puts the contribution of incremental farm incomes for poverty reduction in perspective. Other limitations to be taken into account in this context are: (i) the modest savings accumulation in VOs and WOs (paragraph 46), and (ii) the still very limited access to institutional credit by the rural population of Dir, given the withdrawal of BOK from the project (see paragraph 91). Taking all factors together, the aggregate domain impact is given a rating of 4 (moderately satisfactory).

108. **Views implicitly expressed by VOs and WOs**. During the mission, five VOs and two WOs have been invited to prepare drawings depicting their respective villages at three different points in time: (i) before the start of the DASP, (ii) at present; and (iii) in some years from now. The results show a high degree of convergence on how changes are perceived on the time axis, in the following descending order of frequency: (i) forestry and watershed management, (ii) better roads, (iii) water supplies, (iv) schools, 50 per cent of which are explicitly depicted as schools for girls, (v) agriculture and horticulture, (vi) improved housing, (vii) livestock, and (viii) sanitary posts or hospitals. Thus, these drawings depict perceived change and future aspirations in a pattern fairly congruent with dimensions of poverty in general, and with the project approach and component mix in particular. A typical example, drawn by a WO, is shown below.

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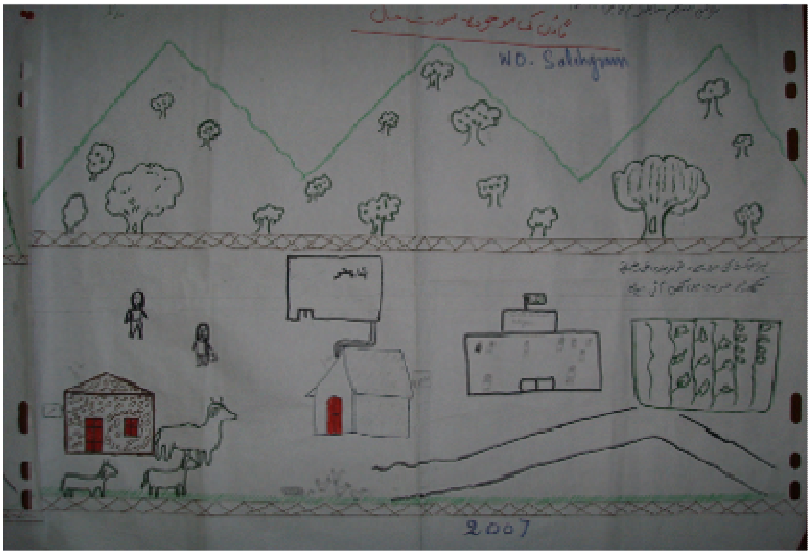
[62] Integrated Marketing and Enterprise Services (IMES), Training Impact Assessment Study for the DASP, Islamabad, May 2006.

[63] Associates in Development (AID), Impact Analysis of the Agriculture Development Component of the Dir Area Support Project, Peshawar, July 2005, Page 19.

[64] With a lactation period of 230 days and swift re-insemination, the production value of PKR 123 million could be replicated every year and increased by added progeny.

[65] Ibidem, Page 34.

WO Salehgram, 1997
Source: Ernst Schaltegger



WO Salehgram, 2007
Source: Ernst Schaltegger

WO Salehgram, Future
Source: Ernst Schaltegger

109. **Attribution of Impact**. The mission visited two villages, which had been identified as eligible under the DASP criteria but which chose not to collaborate with the project. In both cases, the contacted elders indicated that the prominent reason for this position were the rumours that the project

was in fact an NGO perverting their traditional and religious values. The villagers are now well aware that neighbouring villages with VOs and WOs are better served with infrastructure and by line departments, while their own villages come close to the status of villages before DASP interventions arrived, as characterised in paragraphs 103-104. In both cases again, the elders hinted at reconsidering their position. The conclusion, albeit based on a very small sample, is that poverty reduction impacts observed in villages with VOs and WOs are largely absent from villages that were not attended by the project, and that such impacts can be attributed to the project.

110. Summing up the assessment of the various dimensions of rural poverty reduction, it can be concluded that the project indeed is contributing to alleviate rural poverty in practically all impact domains that were relevant to the project as per design and component mix chosen. Although remittances from abroad appear to remain important contributors to household income, the outcomes and impacts of the DASP are significant and deserve a rating of 5 (satisfactory).

C. Sustainability and Ownership

111. The principal driver of sustainability is the strong sense of ownership that is evident when analysing the performance of VOs and WOs. In their own words, *there is no going back to the time before the DASP when their communities were unorganised and left alone*. The fact that most interventions require own contributions in cash and kind, ranging from 20 per cent to 50 per cent, is another factor of sustainability. The sense of ownership is particularly strong among WO members. The 4 800 organized women at present achieved this impressive result with many personal sacrifices. Initially, women were beaten and even fired at when going to WO meetings, which had to be kept secret in many instances. The determination to go ahead is evidently intact as one woman observed that her ambition was to see her daughters as future WO members as well.

112. By and large, the VOs are still far from a status of maturity that would allow them to go ahead unaccompanied. The Assessment of the Institutionalisation of Community Organisations[66] (see paragraph 42) revealed that in 2005, with 90 per cent and 73 per cent of today's numbers of VOs and WOs, respectively, maturity above 80 per cent was attained only by six per cent of VOs and 19 per cent of WOs. Especially in terms of management of their financial assets and of credit allocation, both the VOs and WOs have to make more progress. The process of political emancipation is still incipient, such as the registration as CCBs, and the formation of VO clusters that would allow them to capture financial resources at district level. The set-up of an apex body at district level will require still much more efforts to substantiate.

113. Regarding agricultural productivity, factors enhancing sustainability are: (i) the broad-based availability of improved food grain seed and its continued farmer multiplication, and (ii) a growing stock of better performing breeding animals. However, in order to maintain seed quality over the long term, a so-called periodic flush-through with basic seed material is required. The provision of subsidized AI services, at the conception rates achieved so far, is not sustainable (see paragraph 54). There is evidence, however, that a growing number of farmers buy improved seed and AI services. Whether the prices paid cover full costs, especially related to AI services, is not known.

114. Non-farm employment created thanks to the DASP has a good perspective of sustainability. The rapid growth of the clusters, including hundreds of enterprises and thousands of jobs generated, is a driver of its own for further development, which does not critically depend on an intensive coaching after completion of the DASP. Regarding on-farm employment and its potential of generating corresponding income, much will depend on the future intensity of support by line agencies. At the present state, the village extension workers trained in crop and livestock production are a necessary, but insufficient factor to assure sustainability. The end of the DASP assistance in a year from now is looming over the prospects of sustainability to on-farm outcome and impact.

115. As mentioned at various instances above, the likely sustainability of the roads constructed under the project, particularly provincial roads, is a cause for concern. Apart from deficient quality at

[66] CAMP, Assessment Study – Institutionalisation of Community Organisations, DASP, 2005, Page 4.

completion, maintenance is presently not assured. The mission also observed that the construction quality of RCC bridges is of moderate standard, thus putting the technical sustainability prospects in jeopardy. In terms of maintenance of feeder roads and bridges, the challenges lying ahead are substantial as no maintenance schedules have been established as yet, although the participating VOs have accumulated savings for this purpose. This is particularly concerning because the PMU plays the role of a dissolved line department only until project completion.

116. The completion of the DASP is perceived by many stakeholders as a threat to sustainability. The Appraisal Report estimated that GONWFP would have to meet recurrent cost obligations for incremental staff salaries and allowances, vehicles and other operation and maintenance costs of line agencies involved in agricultural development, to the tune of PKR 8 million in 1996 prices, thus about PKR 14 million at present. This figure implies that the incremental budgetary inflow to the project area would drop from average PKR 160 million per year at 2004 prices to less than 10 per cent.

117. Considering the positive and negative factors affecting the sustainability of DASP's results, it is rated 3 (probably not sustainable).

D. Innovation, Replicability and Scaling-up

118. Project design was not fundamentally innovative as discussed in paragraph 25. However, the skilful adaptation of the approach to a difficult context may be innovative, including the commendable contacts with scholars related to CBO promotion in general and to Islamic banking methods in particular. In order to make such innovations replicable and up-scalable, the experiences made should however be thoroughly analysed and documented. Despite the absence of documented evidence, elements of the DASP's CBO promotion approach have reportedly been internalised in other area development projects in NWFP, such as the South FATA Development Project.

119. An issue of concern is the perceived lack of consideration for intangibles. One typical example is the apparently successful implementation of 3 000 demonstration plots and events for crop and livestock development. The term "apparently" is adequate because the main sources of verification are the visited VOs who consistently reported that better yields and animal production performances have been observed when applying improved technologies, compared to their traditional cropping and animal husbandry techniques. The demonstrations would have been an outstanding opportunity to generate and manage knowledge if only the responsible extension agents had recorded the basic parameters of the demonstration plot and events, such as locations, dates, description of farmer and improved technologies, and comparative yields obtained. There are virtually no records available from the concerned line department in this respect. The agricultural impact assessment, commissioned by the project in 2005, would have been much more solid in its findings with available references to broad-based and systematic agricultural extension data. Similarly, the monthly PI Newsletters, which have been conceived as a vehicle for knowledge management and dissemination, could have benefited from systematically processed data such as mentioned above. Consequently, it is fair to say that the DASP can be considered as a potential source of replicability and up-scaling opportunities, such as off-season vegetable production and good practice in employment generation. The problem is the absence of documented traceability as mentioned above.

120. The roads component also could have been a source of good practice for design and construction in difficult mountain environments. With the generalised absence of design data and environmental impact consideration, there is no opportunity to replicate and up-scale the art of road construction and upgrading in favour of similar projects.

121. The perception of deficient knowledge management is not confined to the DASP. EVEREST[67] has reached similar conclusions for all IFAD projects in Pakistan and calls for decisive remediation for all new projects (see also paragraph 83). In fact, IFAD has recently published a strategy on knowledge

[67] IFAD, Evaluation of the IFAD Regional Strategy (EVEREST) in Asia and the Pacific, Pakistan Country Working Paper (CWP), Office of Evaluation, Rome, 3 February 2006, Page 39.

management[68], which addresses in a comprehensive way the detected shortcomings. The mission has also taken note of PI having already taken steps to improve knowledge management for all projects in Pakistan. However, given the DASP specific findings, innovation, replicability and scaling-up are rated 3 (moderately unsatisfactory).

IV. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

122. The key merits of the project's design were its relevance for rural poverty alleviation and its consistency with strategy documents of GOP and IFAD, be it at the time of appraisal or later on. The major design flaw was *its ingenuity* of assuming that the project partners were in a position of smoothly implementing and monitoring a complex and multi-stakeholder area development project, and of generating and managing the resulting knowledge.

123. Despite the above mentioned design shortcomings, the project has been effective in attaining the planned outcomes. What are the ingredients for effectiveness in the case of the DASP? First, the extended project life by close to 60 per cent helped generating most planned outputs in practically all components, which is a pre-requisite for effectiveness. Second, the extended time frame must have contributed to a consolidation of the PMU's standing in relation with the CBOs and the participating line departments. It is fair to attribute the project's effectiveness to the PMU, and to its *discreet relentlessness* in often difficult situations. Not surprisingly, the PMU fares relatively better in terms of performance in comparison with the other project partners (paragraphs 82-92).

124. The fact that the project is rated only moderately efficient is due to *doubts about having obtained value for money*, especially in the provincial roads sub-component. If efficiency was rated only with regard to unit cost per achieved outcome the DASP would certainly have fared better. But then again, outcome, impact and cost-benefit analyses – if any - would have needed to be consistent with the methods and variables chosen at appraisal. This is not the case. The Completion Report of the Mansehra Village Development Project[69] mentions similar shortcomings, thus hinting at systemic performance deficiencies in IFAD funded area development projects.

125. The aggregate performance rating of partners is moderately unsatisfactory. This is particularly precarious considering that performance is something that can be improved anytime when shortcomings are detected. This clearly did not happen. Why? The mission attributes the failure of addressing unsatisfactory performance to an attitudinal syndrome, not uncommon in the development business, called *approval culture* (paragraph 84). While much intellectual and negotiating effort generally goes into project formulation and appraisal exercises, implementation support and supervisions tend to be marred by complacency and/or negligence. If a project were a private investment, it is likely that the investors would go at great lengths to protect their investment and make it prosper. Why this seems not to be the case with IFAD and its project partners, in relation with the DASP and also other IFAD projects in Pakistan? The mission is not in a position to answer this question.

126. This report concludes that the anticipated poverty reduction impacts did materialise in practically all impact domains (paragraph 109). The capacity of the DASP to produce the planned outputs and to attain the outcomes was and is a pre-condition for this achievement. The existence of productive and other infrastructure, and service delivery by line departments, *can be directly attributed to the project*, based on observations of the comparative status of non-attended villages (paragraph 108), while other poverty reduction dimensions are due to external factors, such as remittances and efforts of GONWFP to improve education and health coverage in general (paragraph 19).

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[68] IFAD, Knowledge Management Strategy, Rome, September 2007.

[69] IFAD, Islamic Republic of Pakistan, Mansehra Village Support Project, Project Completion Review Report, Rome, 2002.

127. Sustainability prospects for non-farm employment so far generated appear to be intact (paragraph 113). For all other components, sustainability is at risk. Is it conceivable that GONWFP resource allocation and attention to more than 700 villages will fall back to pre-project levels by mid-2008? If this threat substantiates, there must be something fundamentally wrong with the concept of designing and implementing area development projects in Pakistan.

128. For the reasons discussed in paragraphs 117-120, innovation, replicability and up-scaling opportunities arising from the DASP are few, if any. The case made here is that the failure of the DASP to generate replicable and up-scaleable innovation is mainly due to the lack of a focused implementation support (paragraph 79).

Table 13. Rating Summary

Evaluation Criteria	Ratings
Relevance	4
Effectiveness	5
Efficiency	4
Project Performance */	**4.33**
Impact	5
Sustainability	3
Innovation, Replication and Scaling-Up	3
Overall Project Achievement **/	**4**
Performance of IFAD	3
Performance of CI	3
Performance of Government	3

Source: IFAD evaluation mission 2007

*/ Calculated as the average of relevance, effectiveness and efficiency.

**/ Determined based on the ratings for relevance, effectiveness, efficiency, impact, sustainability, innovation, replication and up-scaling.

Table 14. Impact Indicators

Evaluation Criteria	Ratings
Physical Assets	5
Agricultural Productivity	5
Food security	6
Environment and Common Resource Base	6
Market access	4
Human Assets	5
Social Capital	4
Institutions and Services	6
Financial Assets	4

129. Outreach can be considered satisfactory due to the higher than anticipated number of participating households, i.e. 14 500 at appraisal versus 20 000 and 4 800 VO and WO members to date. The distribution of benefits is widespread, because of the multiple interventions that affect many households that are not necessarily VO and WO members, such as market access, social forestry and watershed management, soil and water conservation and the various irrigation schemes. Gender impact may seem modest by general standards, but considering the still prevailing conservative outlook of Pukthun society, the impact achieved is respectable.

130. In general terms, the DASP has contributed in attaining IFAD's strategic objectives, notwithstanding some reservations made mainly by EVEREST (see paragraph 83).

131. The outcome of the DASP completion evaluation will be benchmarked against the ARRI 2006[70] when it becomes officially available.

132. Summing up the conclusions, the completion evaluation of the DASP teaches the following lessons:

(i) It is possible to design and implement multi-sectoral and multi-stakeholder area support projects in environments that are difficult, not only for their physical features but also regarding societal characteristics, and that such projects can be effective, like the DASP.

(ii) However, the complexity of the design and the implementation modalities, including monitoring and evaluation, were not met by adequate technical and methodological support by IFAD, the IC and GONWFP. Many implementation and quality flaws could have been avoided by more awareness and pro-active interventions in this respect. The major lesson learnt is that conceptually ambitious and complex undertakings cannot be left as business as usual; they require a form of focused coaching.

(iii) The fundamental working hypothesis that development must be owned by the people who are affected by change has been confirmed. The overwhelming response of the rural population to organisational forms that were not part of their traditional life provides evidence of the correctness of this working hypothesis. In only ten years, the *Jirgas* have been transformed from rather reclusive councils of village elders into rejuvenated and broad-based VOs. At the same time, women were allowed to step out of their invisibility and to form WOs. Both are remarkable achievements in a conservative rural society.

(iv) Consequently, VOs and WOs have become *launching pads* for multiple development activities, which would not have been possible without their existence.

(v) Due to the relative void of intangibles generated by the project, policy dialogue was close to impossible. IFAD should have put more effort in policy dialogue, which however requires better knowledge management and documentation of good practice in the first place.

(vi) For IFAD, this means that its ambition of being a centre of excellence for rural poverty alleviation may not have been lived up to sufficiently in relation with the DASP. The fact that IFAD is hardly perceived as the leading steward of rural development and poverty alleviation in Pakistan may point to a deficiency going beyond the DASP[71].

B. Recommendations

133. The first set of recommendations refers to the remaining project life and is addressed to GONWFP and the PMU:

(i) Assure the implementation of the remaining activities in all components where these are pending, with an emphasis on consolidation and quality rather than on pursuance of PC-I targets, especially regarding the qualitative strengthening of VOs and WOs. Thus, a distinct effort should be made by the DASP to: (i) encourage VOs and WOs to form more cluster organisations, (ii) promote the CBO Apex body in concert with the CBOs, and the district and provincial authorities, and (iii) deploy a new round of training and coaching of VOs and WOs aimed at a more pro-active management of internal savings and lending.

[70] IFAD, Office of Evaluation, Annual Report on the Results and Impact of Operations Evaluated in 2006, Rome, October 2007.

[71] IFAD, Evaluation of the IFAD Regional Strategy (EVEREST) in Asia and the Pacific, Pakistan Country Working Paper (CWP), Office of Evaluation, Rome, 3 February 2006, Page 36.

(ii) Constantly update the output monitoring databases and the impact monitoring systems where applicable.

(iii) Envisage a new agricultural and livestock impact study, this time referring to the technical and financial parameters set at appraisal, with the objective of generating a sound basis for the project completion report.

(iv) In concert with all other projects implemented in NWFP, harmonize the staff salary scales.

(v) Assure, for all adaptive agricultural research trials undertaken in the framework of the DASP, an orderly handover to either the CBOs or the DOAE.

133. In order to accompany and review the recommendations made for the PMU, final supervision and project completion activities should be carefully planned and implemented. The mission understands that PI has already decided to have a last supervision mission fielded by UNOPS in late 2007 and a project completion mission directly carried out by PI in 2008. The mission commends this shift in attention and suggests that, in addition to these measures, the recommendations set forth in paragraph 134 will be given consideration.

134. The last set of DASP specific recommendations is directed to IFAD and GONWFP:

(i) Engage as soon as possible in mutual consultations on: (i) setting annual financial threshold values deemed necessary to satisfy critical levels of service deliveries and infrastructure maintenance in Lower and Upper Dir, estimated by the mission at PKR 40 million of annual outlay[72], (ii) explore the ways and means for funding such critical financial requirements, and (iii) setting an agenda of general and specific measures to address the quality deficiencies observed by the mission at the level of line departments' recording and quality control routines.

(ii) Agree on what part of quality improvement measures can still be funded under the DASP, and;

(iii) Jointly review these arrangements agreed upon by project completion and loan closure (30 June and 31 December 2007, respectively).

135. Considering the fairly common problems related to the completion of donor supported projects in Pakistan, the mission recommends to IFAD and GOP to envisage and test novel project completion modalities, as an alternative to the recommendation contained in paragraph 134, along the following lines:

(i) Complex and multi-stakeholder projects nearing completion should be assessed in terms of whether they should benefit from what could be called a *Phasing-out Facility.*

(ii) Such a *Phasing-out Facility* could last up to three years or so and would be aimed at assuring a smooth transition to a post project support mode to be provided by the concerned provincial government.

(iii) Both parties to the *Phasing-out Facility* would commit financial resources, at conditions to be defined (loan, grant, third party donors) whereby the contributions of IFAD would be decreasing over time, and the contributions of the respective provincial government increasing.

[72] This figure corresponds approximately to 10 per cent of revised PC-I cost at 2004 prices of the Community and Women's Development and Agricultural Development Components (without irrigation), a provision of PKR 13 million for provincial road maintenance and again 10 per cent of the PC-I outlay for the PMU.

(iv) The phasing-out period would also allow correcting detected shortcomings during project implementation, especially in human resources training and coaching, studies, surveys, record keeping, and outcome and impact monitoring.

(v) Finally, the *Phasing-out Facility* would be the stage for putting in practice the ACP, with the commitment, by both parties, that the implementation of the ACP would be jointly undertaken over a limited time and according to a defined schedule of mutual accountability.

APPENDIX 1

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APPENDIX 2

Mission Itinerary and Meetings

Date	Place	Activities and Meetings
17 June 2007	Islamabad	Arrival of Lead Evaluator, Ms Sylvia Schweitzer, and Team Leader, Mr Ernst Schaltegger. Briefing with evaluation mission members, Dr Zahur Alam and Mr Muhammad Javaid Ahsan Khan.
18 June 2007	Islamabad	FAO, Mr Tim Vaessen, Sr. Emergency Coordinator, Mr Christopher F. Baker, Consultant, Project Planning and Management (Rural Development), Dr Faizul Bari, Field Coordinator, NWFP.
		World Bank Resident Office, Mr Qazi Azmat Isa, Senior Community Development Specialist.
		UN-DSS, Mr Arthur Gaines, Deputy Security Advisor.
		Resident Liaison Representative, IFAD, Mr Qaim Shah.
19 June 2007	Islamabad	ADB, Ms Ismat Shahjehan, Project Implementation Officer.
		Ministry of Economic Affairs and Statistics, Economic Affairs Division, Mr Junaid Iqbal Ch., Additional Secretary, Mr Tanveer Azmi, Section Officer and Focal Point for IFAD Projects.
		UNDP, Ms Mikiko Tanaka, Deputy Country Director.
20 June 2007	Islamabad-Peshawar	Road travel to Peshawar.
20 June 2007	Peshawar	Special Development Unit, Planning and Development Department, North West Frontier Province Government, Mr Ahmad Hanif Orakzai, Director General, Mr Atif Rahman, Chief.
		Mr Rahim Ullah, Project Manager, DASP.
		M. Habib ul Hag, Head of Agriculture Department, Upper Dir District
		Mr Nazimud-Din, Head of Agriculture Department, Lower Dir District.
		Dr Mukezezur Rehma, Head of Livestock Department, Lower Dir District.
		Dr Kheusta Rehma, Head of Livestock Department, Upper Dir District.
		Mr Chulam Khalig, Head of On-Farm Water Management Department, Dir District.
		Mr Fatam Dil, Head of Agriculture Information and Communication Department, Dir District.
		Mr Syed Jalal, Head of Works and Services Department, Lower Dir District.
		Mr Muhammad Tahir Orakzai, Project Manager, South FATA Project.
		Cap. (Retd) Waqar ul Hassan Syed, Project Manager, Barani Area Development Project.
21 June 2007	Peshawar	Special Development Unit, Planning and Development Department, North West Frontier Province Government, Mr Ahmad Hanif Orakzai, Director General, Mr Atif Rahman, Chief.
		Bank of Khyber, Mr Nasin Khan, Head, Microfinance Department
22 June 2007	Peshawar	Internal mission meetings.
23 June 2007	Peshawar-Timergara	Road travel to Timergara.
23 June 2007	Timergara	Briefing with the PMU, with the following persons attending:
		Mr Rahimullah, Project Manager
		Mr Said Waqar Ahmad, Enterprise Development Officer
		Ms Noor Mahal, Senior WID Officer
		Mr Rahatullah, Monitoring Officer
		Mr Amir Abbass, Senior Social Organizer
		Mr Hazrat Umar, Senior Social Organizer
		Mr Shujaat Said, Senior Social Organizer

Date	Place	Activities and Meetings
		Mr Khalil Muhammad, Social Organiser
		Mr Muhammad Ismail, Social Organiser
		Ms Salma Zeb, Female Social Organiser
		Ms Noor Bano, WID Extension Officer
		Ms Muttaqia, WID Extension Officer
		Ms Beena Saeed, Female Social Organizer
		Ms Haseena Gul, WID Extension Officer
		Ms Nayyar Saba, Intern Female Social Organiser
		Ms Samina Naz, Social Organization Unit Timergara.
		Mr Riazuddin, Intern Social Organizer
24 June 2007	Timergara	Visit to VO Mano Banda, VO Gatkay Musar Khany, WO Tangay and WO Odigram.
25 June 2007	Timergara	Visit to VO Chinar Tangay, VO Soghaly Talash, Kass Barikot Bajwaro (village without VO) and Female Managers Conference in Timergara.
26 June 2007	Timergara	Visit to VO Bemaro Banda, Karmoo Makhai (village without VO), WO Khazana II and WO Khazana III.
27 June 2007	Timergara	Visit to VO Paloso Dag, VO Tangay Rahim Abad, WO Salehgram Payeen and WO Salehgram Bala.
28 June 2007	Dir	Visit to VO Gujro Koto, VO Nowra and WO Nawra.
29 June 2007	Dir	Visit to VO Hatanr Sharki, WO Ganorai, WO Tikerkot, cluster organisation Chukiatan, knife maker cluster, Dir, and line departments Upper Dir.
30 June 2007	Dir	Visit to VO Zaman Coloney, WO Kass Payeen, furniture cluster and wool weaver, Dir, and line departments Upper Dir.
01 July 2007	Timergara	Visit to VO Sarpato, metal workshop cluster Timergara and poultry association, Samar Bagh.
02 July 2007	Timergara	Review of VO and WO formation patterns and employment generation activities and outputs.
		Meeting with Dr Rehman Atta, District Development Commissioner, Lower Dir.
03 July 2007	Timergara	Drafting of Aide Memoire.
04 July 2007	Timergara-Peshawar	Road travel to Peshawar, preparation of Aide Memoire.
05 July 2007	Peshawar	Finalisation and dispatching of Aide Memoire.
06 July 2007	Peshawar	Preparation of PowerPoint presentation for wrap-up meeting.
07 July 2007	Peshawar	Preparation of PowerPoint presentation for wrap-up meeting.
08 July 2007	Peshawar	Preparation of working papers.
09 July 2007	Peshawar	Wrap-up meeting at P&D Department, with the following persons attending:
		Mr Usman Gul, Deputy Chief Economist, P&D Department, GONWFP
		Ms Imrana Wazir, Chief Foreign Aid, P&D Department, GONWFP
		Mr Maqsood Gul, Research Officer, Foreign Aid, P&D Department, GONWFP
		Ms Taslima Yasmin, Planning Officer, RDD, GONWFP
		Mr Shakeel Iqbal, Research Officer, Rural Development, P&D Department, GONWFP
		Mr Bashir Khan, AFS (Development, Finance Department, GONWFP
		Mr Shabir Hussain, Deputy Director, Planning and Environment, GONWFP
		Mr Atif Rahman, Chief, SDU
		Mr Tanveer Azmi, Section Officer, Economic Affairs Division, Ministry of Economic Affairs and Statistics; GOP

Date	Place	Activities and Meetings
		Mr Nazir Azam Khan, Project Director, South FATA Development Project
		Mr Mukhsin-ul-Mulk, Monitoring Economist, South FATA Development Project
		Capt. (Retd.) Waqar-ul-Hussain, Project Director NWFP, Barani Area Development Project
		Mr Syed Jalal, Head of Works and Services Department, Lower Dir District
		Dr Mufees-ur-Rehman, District Officer, LDDD. Lower Dir
		Mr Habib-ul-Haque, Agriculture Officer, DOAE, Lower Dir
		Mr Nazi mud-Din, District Agricultre Officer, DOAE, Lower Dir
		Mr Bakht Zamin Khan, District Forest Officer, DOF, Lower Dir
		Mr Shakeel Ahmad, Program Officer, UNDP Islamabad
		Mr Rahimullah, Project Director DASP
		Ms Noor Wahal, Senior WID Officer, DASP
		Mr Ghulam Khalik, Assistant Director, OFWM, DASP
		Mr Said Waqar Ahmad, Enterprise Development Officer; DASP
		Dr Sylvia Schweitzer, Lead Evaluator, OE, IFAD
		Mr Ernst Schaltegger (team leader)
		Ms Anna-Liisa Kaukinen (community and women's development specialist)
		Dr Zahur Alam (agricultural and livestock development specialist)
		Mr Mohammad Javaid Ahsan Khan (rural infrastructure specialist)
		Ms Rashda Syed (resource person for community and women's development issues).

Logical Framework at Appraisal

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions/Risks
Goal			
1.11 Poverty reduced	1.21 Farm and off-farm incomes increased (per cent)	1.31 Project Completion Report	1.41 Stable politico-religious environment 1.42 Stable overall economic environment 1.43 Stable and attractive commodity price structure
Purpose			
2.11 Agriculture production increased	2.21 Food grain production increase (10 100 t) 2.22 Potatoes/vegetable production increased (15 900t)	2.31 Project Completion Report	2.40 The project is well managed and coordinated 2.41 Farmers adopt improved crops and livestock practices 2.42 Communities properly operate and maintain the infrastructure 2.43 CO/line dept. linkages remain sustainable
2.12 Employment increased	2.23 Additional jobs created (4 600)	2.32 Benefit monitoring	
2.13 Status of women increased	2.24 Income of women increased (PKR 20 000-50 000)	2.33 Progress reports and MTR	2.44 project trained beneficiaries go towards self-employment 2.45 WOs become self-sustained
Outputs			
3.11 VOs/WOs formed and functional	3.21 VOs (400) and WOs (100) organised 3.22 Linkages of VOs/WOs with line departments established (100), meetings held	3.31 Completion report 3.32 Progress reports 3.33 Review missions 3.34 MTR 3.35 MIS	3.41 Communities actively participated in decision making 3.42 Line departments respect the wishes of community
3.12 Area under irrigated cultivation increased/cropping intensity increased	3.23 Irrigated area increased (1 375 ha)		3.43 design and construction is of good quality
3.13 Crop improved	3.24 Cropping intensity increased (from 130 to 166 per cent) 3.25 Improved agronomic packages introduced (at least 20) 3.26 Micro watersheds improved (6 000 ha) 3.27 Social Forestry plantations established (3 000 ha)		3.44 Packages introduced are economical

3.14 Livestock improved 3.15 Access to markets improved 3.16 Skills for employment developed 3.17 Opportunities for self-employment	3.218 Livestock productivity increased (25 to 50 per cent) 3.219 Costs saved from roads improvement (40 per cent) 3.220 Persons technical trained (8 300) 3.221 Apprenticeship trained (1 780) 3.222 Micro-entrepreneurs trained (860) 3.223 Income-generating activities established (800)		3.45 People overcome the religious or other inhibition to take credit
Activities	**Activity Level Target**	**Means of Verification**	**Assumptions/Risks**
Community and Women Development 4.1.1. SOUS established 4.1.2Manual for village selection prepared 4.1.3 Process for organization of VOs/WOs initiated 4.1.4 VOs/Wos trained 4.1.5 Credit strategy prepared 4.1.6 Linkages with LD established	3 Nos. Yr. 1 Manual prepared Yr. 1 Yr. 1 2 860 persons Yr. 1 96 Managers' conferences held	4.3.1 Progress reports	4.4.1 Staff recruited and trained 4.4.2 Communities receptive to group activities
Agricultural Development *I. Crop Development* 4.2.1 Est. & Demo Kits Provided 4.2.2 Govt. Seed & Demo farm supported 4.2.3 Improved seed variety provided 4.2.4 Community Ext. Workers trained/retrained 4.2.5 Other farmers trained 4.2.6 Demonstrations held 4.2.7 Audio Video Equip. Procured 4.2.8 Video features produced 4.2.9 Radio Programmes Produced 4.4.1 Needs Assessment Survey carried out 4.4.2 Contract research undertaken 4.4.3 CCRI supported 4.5.1 Terracing completed	440 sets Equipment purchased and installed inYr.1 160 MT per year 400 persons 1 280 persons 2000 1 set 25 340 Yr. 1 20 themes Cleaner and other equipment purchased in Yr. 1 400 ha		4.5.1 Research recommendations accepted by farmers 4.5.2 Good quality seeds produced in sufficient quantities 4.5.3 Inputs available at reasonable prices

4.5.2 Small check dams constructed	40		
4.5.3 Spurs and protection structures constructed	50		
4.5.4 Gabion Structures	35		
4.5.5 Farmers trained/retrained (SWC)	1 000		
4.5.6 Micro Watershed Management Demonstrated	20		
4.6.1 Private Nurseries established	60		
4.6.2 Grass Nurseries established	15 ha		
4.6.3 Social Forestry Plantation established	50		
4.6.4 School Plantation established	50		
4.6.5 Staff and Private Operators trained/retrained	480		
4.6.6 Private Range Management demos. held	100		
4.6.7 Range Impact Study undertaken	In Yr. 4		
II. Livestock Development			4.5.5 Animal breeding programme sustainable
4.7.1 Liquid Nitrogen Plant and equipment procured and established	Yr. I		
4.7.2 Rams and Bucks distributed	200 nos./200 nos.		
4.7.3 LDD Staff trained	78 persons		
4.7.4 CLW trained/retrained	210 persons		
4.7.5 WLW trained/retrained	120 persons		
4.7.6 Farmers trained	180 persons		
4.7.7 Other trained	160 persons		
4.7.8 Various demonstrations held	1 130 nos.		
III. Irrigation development			4.5.6 Line department takes full interest in project activities
4.2.1 Irrigation channels rehabilitated	200 nos.		
4.2.2 Storage tanks constructed	30 nos.		4.5 4 Farmers use irrigation schemes effectively
4.2.3 Hose fed Irrigation Systems constructed	30 nos.		
4.2.4 Lift Irrigation Schemes constructed	30 nos.		

4.2.5 Dug well Irrigation Schemes constructed 4.2.6 Pilot Pressurised Irrigation Schemes constructed 4.2.7 O&M training to beneficiaries provided	30 nos. 30 nos. 200 groups		
Roads Improvement 4.8.1 Consultants recruited 4.8.2 Provincial Roads constructed 4.9.1 Feeder Roads constructed 4.9.2 Feeder Roads blacktopped 4.9.3 O&M training to VOs provided	Yr. 1 45 kms. 200 kms. 50 kms. 200 VOs		4.8.1. Capable consultants recruited 4.8.2 Appropriate budget allocations for provincial Roads O&M 4.8.3 Feeder roads improvement and financing accepted by VOs 4.9.4 VOs accept contributions feeder roads O&M
Employment Generation 4.10.1 VOs' Members trained in business skills, etc. 4.10.2 Credit for Income GA provided 4.11.2 Entrepreneurs trained 4.11.3 Survey and Studies done 4.11.4 Credit line established 4.11.5 BOK operations in project area started 4.11.6 Short-term technical training 4.11.7 Long-term technical training 4.11.8 Apprenticeships	750 nos. 800 group loans 860 persons 66 nos. Yr.1 Yr. 1 1 200 persons 240 persons 330 persons		4.10.1 Capable consultants recruited 4.10.2 Sufficient spread provided to BOK for operations 4.10.3 Demand for loans at market rate 4.10.4 Capable training institutes and trainers available

Ex-post Assessment: Nature of Risks Assumed and Accuracy of Assumptions at Project Appraisal (Excerpt from the Original Logical Framework)

Narrative Summary	Assumptions/Risks	To what extent did the assumptions made refer to external or internal factors? 1/	How accurate were the assumptions in hindsight? 2/
Goal			
1.11 Poverty reduced	1.41 Stable politico-religious environment	6	2
	1.42 Stable overall economic environment	6	5
	1.43 Stable and attractive commodity price structure	6	5
Purpose			
2.11 Agriculture production increased	2.40 The project is well managed and coordinated	1	4
	2.41 Farmers adopt improved crops and livestock practices	3	3
	2.42 Communities properly operate and maintain the	1	3
	infrastructure	4	3
2.12 Employment increased	2.43 CO/line dept. linkages remain sustainable	4	3
2.13 Status of women increased	2.44 Project trained beneficiaries go towards self-employment	4	3
	2.45 WOs become self-sustained		
Outputs			
3.11 VOs/WOs formed and functional	3.41 Communities actively participate in decision making	3	4
	3.42 Line departments respect the wishes of community	2	4
3.12 Area under irrigated cultivation increased/cropping intensity increased	3.43 Design and construction is of good quality	1	3
3.13 Crop improved	3.44 Packages introduced are economical	2	3
3.14 Livestock improved			
3.15 Access to markets improved			
3.16 Skills for employment developed			
3.17 Opportunities for self-employment	3.45 People overcome the religious or other inhibition to take credit	6	2
Activities	**Assumptions/Risks**		
Community and Women Development			
4.1.1 SOUS established	4.4.1 Staff recruited and trained	2	4
4.1.2 Manual for village selection prepared			
4.1.3 Process for organization of VOs/WOs initiated			
4.1.4 VOs/WOs trained	4.4.2 Communities receptive to group activities	4	5
4.1.5 Credit strategy prepared			
4.1.6 Linkages with LD established			

Agricultural Development			
I. Crop Development			
4.2.1 Est. & Demo Kits Provided	4.5.1 Research recommendations accepted by farmers	3	3
4.2.2 Govt. Seed & Demo farm supported			
4.2.3 Improved seed variety provided	4.5.2 Good quality seeds produced in sufficient quantities	2	5
4.2.4 Community Ext. Workers trained/retrained	4.5.3 Inputs available at reasonable prices	6	4
4.2.5 Other farmers trained			
4.2.6 Demonstrations held			
4.2.7 Audio Video Equip. Procured			
4.2.8 Video features produced			
4.2.9 Radio Programmes Produced			
4.4.1 Needs Assessment Survey carried out			
4.4.2 Contract research undertaken			
4.4.3 CCRI supported			
4.5.1 Terracing completed			
4.5.2 Small check dams constructed			
4.5.3 Spurs and protection structures constructed			
4.5.4 Gabion Structures			
4.5.5 Farmers trained/retrained (SWC)			
4.5.6 Micro Watershed Management Demonstrated	4.5 4 Farmers use irrigation schemes effectively	2	4
4.6.1 Private Nurseries established 4.6.2 Grass Nurseries established			
4.6.3 Social Forestry Plantation established			
4.6.4 School Plantation established 4.6.5 Staff and Private Operators trained/retrained			
4.6.6 Private Range Management demos. held			
4.6.7 Range Impact Study undertaken			
II. Livestock Development			
4.7.1 Liquid Nitrogen Plant and equipment procured and established			
4.7.2 Rams and Bucks distributed 4.7.3 LDD Staff trained			
4.7.4 CLW trained/retrained	4.5.5 Animal breeding programme sustainable	3	3
4.7.5 WLW trained/retrained			
4.7.6 Farmers trained			
4.7.7 Other trained			

4.7.8 Various demonstrations held *III. Irrigation development* 4.2.1 Irrigation channels rehabilitated 4.2.2 Storage tanks constructed 4.2.3 Hose-fed Irrigation Systems constructed 4.2.4 Lift Irrigation Schemes constructed 4.2.5 Dug well Irrigation Schemes constructed 4.2.6 Pilot Pressurized Irrigation Schemes constructed 4.2.7 O&M training to beneficiaries provided	4.5.6 Line department takes full interest in project activities	1	3
Roads Improvement 4.8.1 Consultants recruited 4.8.2 Provincial Roads constructed 4.9.1 Feeder Roads constructed 4.9.2 Feeder Roads blacktopped 4.9.3 O&M training to VOs provided	4.8.1 Capable consultants recruited 4.8.2 Appropriate budget allocations for provincial Roads O&M 4.8.3 Feeder roads improvement and financing accepted by VOs 4.9.4 VOs accept contributions feeder roads O&M	1 4 3 3	2 1 4 4
Employment Generation 4.10.1 VOs' Members trained in business skills, etc. 4.10.2 Credit for Income GA provided 4.11.2 Entrepreneurs trained 4.11.3 Survey and Studies done 4.11.4 Credit line established 4.11.5 BOK operations in project area started 4.11.6 Short-term technical training 4.11.7 Long-term technical training 4.11.8 Apprenticeships	4.10.1 Capable consultants recruited 4.10.2 Sufficient spread provided to BOK for operations 4.10.3 Demand for loans at market rate 4.10.4 Capable training institutes and trainers available	1 5 6 6	3 2 2 4

Rating of Assumptions	(6)	(5)	(4)	(3)	(2)	(1)
1/ To what extent did the assumptions made refer to external or internal factors?	Exclusively external factors	Essentially external factors	External factors linked to internal factors	Internal factors linked to external factors	Essentially internal factors	Exclusively internal factors
2/ How accurate were the assumptions in hindsight?	Highly accurate	Accurate	Moderately accurate	Moderately inaccurate	Inaccurate	Highly inaccurate

APPENDIX 5

DASP Components

1. The first of the project's five components relates to Community and Women's Development: This component supports the establishment of cohesive VOs and WOs to involve beneficiaries in planning and implementing of all project stages. In addition, the project foresaw to establish a Community Development Fund (CDF) to finance improvements in the living conditions of the target group identified by the community in general and women in particular. Community mobilization and women's development is implemented by the DASP Project Management Unit (PMU), through its Community Development Section (CDS) with three Social Organisation Units (SOUs) in Samarbagh, Timergara and Upper Dir. The PMU CDS comprises a Community Development Coordinator, a senior Women-in-Development (WID) Officer, and support staff. The SOUs include the following staff: a male and female Senior Social Organiser (SO), a female extension officer, and support staff.

2. Agricultural development is the second project component. It addresses farmer's key constraints and to strengthen the links between farmers and line agencies that are responsible for providing technical services. In order to do so, this component comprises three sub-components: (i) crop development; (ii) livestock development and (iii) irrigation. Crop development entails the strengthening of extension activities by supporting both field assistants of the DOAE and audio-visual and other mass communication means, the establishment of demonstration plots for crop cultivation, contract research themes on adapted technologies, support of cereal seed production and of private nurseries, tree planting as well as soil and water conservation measures. The implementation of soil and water conservation measures is entrusted to the Soil and Water Conservation Department of DOAE, with a systematic participation of the VOs ranging from identification, selection, cost estimation and construction. The VOs have access to the Community Development Fund administered by the PMU. The implementation is on a 50 per cent cost sharing basis. VOs are allowed to pay their share either in cash or labour, and the project provides the rest of the 50 per cent.

3. Under the livestock development sub-component the project supports the introduction of improved animal production and management practices, animal nutrition and improved animal health. For this purpose, the project provides artificial insemination, improved techniques for animal feeding and for maintaining animal health through inoculation and other preventive and curative measures. Another element of the sub-component is the training of village livestock extension workers (VLWs) and women training in poultry production and management. The implementation of this sub-component is entrusted to the District staff of the Department of Livestock and Dairy Development through the organised VOs/WOs.

4. As for the irrigation development sub-component, the project engages in the improvement or rehabilitation of small gravity-irrigation schemes, the construction of water storage tanks, lift irrigation schemes and shallow well schemes. Furthermore, it sets out to develop pilot schemes to demonstrate the benefits of drip and sprinkler irrigation. Finally, this sub-component includes farmer field training in implementation, operation and maintenance of schemes as well as strengthening the On-farm Water Management Department (OFWMD). The irrigation sub-component is implemented under the control of the OFWMD and follows the same pattern as that of feeder roads. The irrigation committees of the participating VOs provide goods and services for the construction activities. In general, the simple technical requirements are understood by the involved VOs.

5. Under its third component – relating to rural roads – the project finances the improvement of the provincial roads that connect many mountain villages with the tarmac roads leading to major towns and centres of Timergara and Dir as well as feeder roads. Finally, training is provided to concerned department staff in community development and to community members in feeder road maintenance. Provincial roads are built or rehabilitated by the Communication and Works Department, which was renamed as Works and Services Department under the Devolution Plan of 2002. The consultancy services for design and supervision of 41 km of provincial roads were provided by Khyber Consulting Engineers, at a cost of PKR 1.6 million. The feeder roads are designed and supervised by the Rural Development Department until 2002 when the organization was dissolved after the implementation of

the Devolution Plan. Since then, the PMU has assumed this function by employing sub-engineers in its cadres. The three SOUs have two such sub-engineers each in their offices to look after the engineering requirements of the feeder roads. The post of a civil engineer in PMU has been advertised and is presently vacant pending recruitment.

6. The fourth project component refers to employment generation and includes three sub-components: (i) the first one promotes micro-enterprises through training of existing and potential entrepreneurs, establishing institutional linkages and associations, and the preparation of enterprise development models and surveys to identify enterprises with demand potential, (ii) the second supports income-generating activities, mainly for women, by implementing a revolving credit fund for group loans, and (iii) the third sub-component refers to organising and implementing short and long term training courses, including apprenticeships.

7. Under the leadership of the Project Manager, the Project Management Unit (PMU) - which was designed as the fifth project component – enters into agreements with line departments and agencies for the implementation of their respective components. These include the Department of Agriculture (DOA), the Directorate for Agricultural Extension (DOAE), the Department of Livestock and Dairy Development (DLDD), the Rural Development Department (RDD), and the Directorate of On-Farm Water Management (OFWMD).

APPENDIX 6

Approach Paper (Excerpt)

Pakistan
Dir Area Support Project
Completion Evaluation

I. Rationale of the Evaluation

1. The Dir Area Support Project (DASP) in Pakistan will be evaluated during 2007 according to the IFAD Evaluation Policy. The Office of Evaluation (OE) of IFAD will undertake a Completion Evaluation in order to ensure accountability and to offer an overview of good practices and lessons learned for all stakeholders. It is important to note that, while at the time when OE's work programme and budget for 2007 was approved by the Executive Board the project loan was supposed to close on 31 December 2006 and the project to be completed by June 2007. However, following a respective request by the Country Programme Manager the loan closing date was postponed to 31 December 2008.

2. This excerpt of the Approach Paper highlights the approach to be used for evaluating the project. The contents of this paper has been discussed with IFAD's Asia and Pacific division (PI) and all members of the Core Learning Partnership (CLP) including the key representatives in the Government of Pakistan during the lead evaluator's preparatory mission in February 2007.

II. Evaluation Approach

3. This Completion Evaluation takes place ten years after the DASP loan has become effective. As mentioned above (paragraph 1) the evaluation will take place cognisant of the fact that the project, after having been extended twice, is still ongoing. The DASP evaluation will generate important inputs for the Pakistan Country Programme Evaluation which will also be undertaken by OE in 2007.

4. The evaluation will be in line with the IFAD evaluation policy and adopt the latest methodology for project evaluations developed by OE. The latter focuses on three dimensions: (i) the performance of the project measured in terms of relevance, efficiency, and effectiveness; (ii) the rural poverty reduction impact of the project measured against impact indicators that are grouped according to impact domains; and (iii) the performance of IFAD and its partners including IFAD, the Government of Pakistan, the Bank of Khyber (BOK) and UNOPS as the cooperating institution. The evaluation will also assess the contribution of the project to IFAD's involvement in policy dialogue, the building of partnerships, knowledge management and the promotion of innovations for replication and up-scaling. In addition, the evaluation will consider the sustainability of project outcomes and impacts and gender equity as a cross-cutting issue.

5. **Evaluability assessment.** The Appraisal Report set out a fairly consistent logical framework matrix (see Annex 1) stating three project objectives as follows: (i) Increased agricultural production, (ii) increased employment and (iii) improved status of women. It contains indicators for the goal, purpose and output level targets of which those relating to the goal and purpose level will be taken into account for evaluating parts of the project's poverty reduction impact and performance, respectively.

6. The project's logical framework does not consistently distinguish between project impacts, effectiveness and outputs as defined in the OE's new evaluation methodology. While this is a common feature of most of the older IFAD projects these inconsistencies will be addressed in the following as a precondition for accurate reporting of outputs, effects and impacts: In general all DASP objectives are formulated in such a way that they are actually identical with project impacts, while many of the project's outputs as described in the logical framework are actually on the level of effects. Furthermore, in addition to the objectives mentioned on the purpose level of the logical framework the main text of the Appraisal Report explicitly adds the establishment and strengthening of community

organisations and improved access to markets to the project's objectives (see paragraph 29). These are only captured on the output level of the project's logical framework. Since the project documentation suggests that community organisations are seen as a vehicle for the achievement of other project objectives they will not be shifted to the logical framework's purpose level and thus not be taken into account for assessing the project's overall effectiveness. Improved access to markets however will be considered in terms of project effectiveness since it goes beyond the output level. Finally, the effects of the project's sub-components livestock production will be considered under the objective to increase agricultural production.

7. The project's original log frame neither provides targets for poverty reduction nor does it acknowledge more qualitative improvements that could result from successful project implementation. Component-specific indicators will be identified by mission members during field work preparation and incorporated in field level questionnaires corresponding to team member's TOR and information requirements as outlined in the following paragraphs.

8. **The performance of the project** will be examined in terms of relevance, effectiveness and efficiency. Key questions to be answered include the following: Has the project design been responsive to the needs of the rural poor (in the context of IFAD's rural poverty reduction strategy in the country); has the project design benefited from quality assurance at entry (e.g. whether the project design benefited from the input of the Technical Review Committee); has the project been effective in reaching its stated objectives (i.e. increase of food grain production, potatoes and vegetable production, creation of additional jobs and increase in women's income as outlined on the purpose level in the project's logical framework), and has it done so economically in terms of financial and human resources? The notion of effectiveness covers not only the achievement of physical targets, but the degree to which these achievements are likely to be sustainable. This in turn is connected with the degree to which the targets match the real needs of beneficiaries and the root causes of poverty, in other words the relevance of the objectives as set out in the project design. Finally, the evaluation of the project design will be based on both the development standards valid at the time of project formulation and on the basis of today's standards. The latter is justified to the degree to which it can be assumed that development projects benefit from an ongoing process of learning, improvement and adaptation during implementation.

9. **Poverty reduction impact.** From studying the project's design it became evident that all poverty impact domains as specified in OE's new evaluation methodology are relevant for the project at hand. It has to be noted that the project's purpose does actually directly correspond to the impact domains "Agricultural Productivity" and "Markets". Therefore these domains will be dealt with in the context of assessing the projects effectiveness rather than in relation to its impact. Appendix 6 - Table 1 illustrates how components and impact domains are potentially related in the case of the DASP.

Appendix 6 - Table 1. Relation of Project Components and Impact Domains

Project (Sub-) Component	Impact Domain
Community and Women's Development	- Social Capital and Empowerment - Institutions and Services - Physical Assets - Financial Assets
Crop Development (including forest planting)	- Physical Assets - Food Security - Environment and Common Resource Base - Human Assets - Agricultural Productivity - Institutions and Services - Financial Assets
Livestock Development	- Physical Assets - Food Security - Human Assets - Agricultural Productivity - Financial Assets
Irrigation Development	- Physical Assets - Food Security - Agricultural Productivity - Financial Assets
Rural Roads Development	- Physical Assets - Markets
Employment Generation	- Financial Assets - Human Assets - Markets

10. **Scoping analysis.** The data base available for evaluating the DASP is rather weak. The baseline survey that was to be completed in the first year of project implementation was delayed by three years. As a consequence no proper baseline data are available which would be required for a "before-after-comparison" as part of an impact assessment. Furthermore, the agreed sample size of the baseline survey (8 villages in each of 7 *tehsils*) as specified in the respective consultant's TOR, was not reached. This could have negative consequences for the sample's representativeness. In addition, the MTR which was conducted in 2000 did not fully analyse the impact of project interventions, reasoning that the implementation was only gaining momentum at that time. It was proposed to conduct a second phase of the Mid Term Review (MTR) in October 2001.[73] The respective document is still to be provided by the project.

11. By the time of the MTR no Management Information System had been established.[74] Progress monitoring however was in place. The usefulness of M&E data collected by the project will be established during the main evaluation mission. The lack of comprehensive empirical data to show the project's impact on beneficiary communities has been restated in the 2004 Follow-Up report.[75] However, an impact assessment on the community development component, conducted in 2005, is available. Furthermore, an impact assessment regarding the income and employment status of trained community youth has been commissioned in 2005. The availability of this study will still need to be checked.

12. An important data source is the self-assessment of the project by the PMU which is now mandatory for OE project evaluations. A set of guiding question for this assessment has been

[73] UNOPS (2000): Dir Area Support Project Mid Term Review, p.1.

[74] UNOPS (2000): Dir Area Support Project Mid Term Review, p. 33.

[75] UNOPS (2004): Dir area Support Project Follow-Up Report, p. 3.

developed jointly by the evaluation team and provided to the PMU before the preparatory mission. The assessment is expected to be made available to the evaluation team by the end of the third week of March (i.e. one week before the start of the main mission) latest. It will be a crucial source of information since, as a consequence of project extension, this evaluation cannot refer back to the completion report which will only be available by the end of 2008.

13. **Data collection techniques.** The evaluation team will study all project documents as well as a selection of secondary sources, including the Pakistan Poverty Reduction Strategy Paper (PRSP) and the Pakistan Millennium Development Goals Report 2005 which will enable the team to put the DSAP in a broader perspective. The team will hold discussions with representatives of all stakeholder groups. Field interviews with beneficiaries and community organisations will be a major evaluation activity, either in the form of focus-group discussions or one-to-one consultations. The recall-method will be used to substitute the lack of proper baseline data. As a general rule, a triangulation of documentary, statistical and anecdotal evidence will provide the basis for this evaluation.

14. In order to assess the project's impact accurately, to avoid over-estimation of project impacts and to avoid attribution mistakes to the extent possible, a sample of villages that were not targeted by the project will be incorporated in the evaluation. In order to make the comparison of targeted and non-targeted villages as valid as possible the non-targeted villages should have profiles similar to the targeted villages they are compared to; i.e. their socio-economic characteristics should be only slightly beyond the project's targeting criteria. Similar baseline conditions of non-targeted and targeted villages will be approximated by incorporating some villages that had originally qualified to be targeted, but had declined to become part of the project, as part of the control group. The degree to which OE will be able to influence the actual sampling and the validity of primary data collected during field visits will heavily depend on the necessary security arrangements.

15. **Expertise needed.** The mission will include: (i) a mission leader with extensive experience of rural development, institutional issues and the OE evaluation process; (ii) a local expert in community led rural infrastructure (iii) a local expert in agricultural development with expertise in selecting, adapting and disseminating new technologies for small farmers in mountainous areas, and (iv) a rural development and social sector specialist with in-depths knowledge in community and women's development and in-depths country knowledge. The team will be supported by a local resource person. The respective TOR can be found in Annex 3. Dr. Sylvia Schweitzer will be the lead evaluator from OE in charge of this evaluation

III. Partnerships and the Evaluation Process

16. **Core learning partnership.** IFAD's Evaluation Policy, while underscoring the need for independence, recognises the importance of adequately involving the main stakeholders throughout the evaluation process. This is fundamental in order to ensure full understanding by the evaluators of the context, the opportunities and constraints faced by the implementing organisations, to engage the stakeholders in a fruitful collaboration, and to facilitate the discussion of the recommendation and their adoption. In order to do so, the evaluation is in the process of forming a Core Learning Partnership (CLP) among the main users of the evaluation.[76] The CLP will be invited to review and comment on the proposed evaluation process and methodology as set out in the Approach Paper at hand, participate in key discussions, as well as review and comment on the draft evaluation report. The proposed membership of the CLP is as follows:

- Mr. Junaid Iqbal, Additional Secretary, Economic Affairs Division, Ministry of Economic Affairs and Statistics
- Mr. Tanveer Azmi, Section Officer, Economic Affairs Division, Ministry of Economic Affairs and Statistics
- Mr. Ghulam Dastagir Akhtar, Additional Chief Secretary, Planning and Development Department, Government of NWFP

[76] See the IFAD Evaluation Policy, p.9, paragraph 33.

- Mr Ahmad Hanif Orakzai, Director General, Special Development Unit, Planning, Environment and Development Department
- Mr. Rahimullah, Project Director DASP
- Mr. Qaim Shah, Resident Liaison Representative, IFAD
- Mr. Nazir Azam Khan, Project Directors South FATA Development Project
- Capt. (Retd.) Waqar-ul-Hussain, Project Director NWFP, Barani Area Development Project.
- Mr. Alvaro Rodríguez, Pakistan Country Director, UNDP
- Ms. Mikiko Tanaka, Pakistan Deputy Country Director, UNDP
- Aamir Ashraf Khawaja, Alternate Permanent Representative of Pakistan to the UN Food and Agriculture Agencies
- Ms. Ismat Shahjehan, Project Implementation Officer, Pakistan Resident Mission, Asian Development Bank
- Dr. Faizul Bari, Field Coordinator NWFP, FAO Pakistan
- Mr. Nigel Brett, Country Programme Manager for Pakistan, PI, IFAD
- Dr. Sylvia Schweitzer, Associate Evaluation Officer, Office of Evaluation, IFAD

17. **Communication strategy.** Following the requirements of the evaluation policy, the evaluation team will prepare a main report together with a set of technical annexes, which will be submitted to the partners for their comments in September 2007.[77] The final step will be the preparation of the Agreement at Completion Point (ACP), an action-oriented document, illustrating the stakeholders' understanding of the evaluation's findings and recommendations, their implementation proposals and their commitment to act upon them. In order to facilitate the preparation of the ACP, a workshop will be held in Peshawar on 1 November 2007. This document will include a list of recommendations which, if agreed, are to be acted on by specified parties according to a specified timetable. The ACP document will be published with the final evaluation report, which will be available on the IFAD website.

18. In order to facilitate the dissemination of lessons learned, in addition to the printing of the report and annexes,[78] the Office of Evaluation of IFAD will also produce an Evaluation Profile: i.e. a two-page document summarising the key conclusions from the evaluation in a reader-friendly format, with the objective of providing an overview of the evaluation and thereby encouraging a broader audience to read the report. This profile will also be available and freely downloadable from the IFAD website.

IV. Milestones

19. Appendix 6 - Table 2 shows the tentative milestones for the programme which have been discussed and agreed upon by the Programme Management Unit.

[77] The team will rectify any factual inaccuracy identified by the partners. Judgements that differ from those of the evaluation team may be recorded and the issues and arguments concerned duly amplified.

[78] Annexes will be available on request.

Appendix 6 - Table 2. Provisional Time Plan for DASP evaluation

#	Tasks	Provisional Deadlines
1	Draft Approach Paper	31 Jan.
2	Comments of Ashwani on draft approach paper	2 Feb.
3	Share draft approach paper with PI	6 Feb.
4	Briefing of mission leader in OE (including separate meeting with Ashwani) and PI	7 Feb
5	PI comments on draft approach paper to OE	8 Feb
6	OE to finalise draft approach paper	12 Feb
7	Circulate draft approach paper to PI, all CLP members, main partners in GOP and others in Pakistan	12 Feb
8	Preparatory mission	19 – 23 Feb.
9	Final mission TORs	End Feb.
10	Self-evaluation by Project Authorities and possibly RRA	Feb/March
11	Briefing of Team Leader in Rome	4 June
12	Main evaluation mission	17 June – 9 July
13	Wrap-up meeting in Islamabad	9 July
14	Team members' Working Papers	19 July
15	Working Paper from Zahur Alam	8 August
16	1st draft of Evaluation Report	15 August
	August Break	
17	OE review of draft report, including comments of Deputy Director (or Ashwani, if DD not in position by then)	3 – 6 September
18	Share draft report with PI	7 September
19	PI comments on draft report	18 September
20	Team leader incorporating OE and PI consolidated comments in Rome	17-21 September
21	OE to send draft report to CLP	24 September
22	Draft ACP by mission leader to OE	28 September
23	Share draft ACP with PI	04 October
24	CLP members' comments on draft report and PI comments on draft ACP	15 October
25	OE to finalise report and incorporate PI comments on draft ACP	End October
26	ACP workshop in Islamabad	Beginning of November
27	Print and disseminate final evaluation report	Mid December
28	Preparation of evaluation Profile and Insight	Mid December

APPENDIX 7

Project Cost and Expenditures, by 30 June 2007, in PKR Million

Components and Sub-components	Revised PC-1 Cost	Total Expenditure Since commencement of the Project	Percentage against PC-I
Community and Women Development			
Community Development Section	84.855	80.016	94.30 per cent
Social Organization Units	41.288	43.620	105.65 per cent
Agriculture Development			
Agriculture Extension	26.046	23.853	91.58 per cent
Adaptive Research	10.289	8.952	87.01 per cent
Communication Support	3.949	3.312	83.87 per cent
Soil and Water Conservation	40.323	38.175	94.67 per cent
Forestry	26.916	26.366	97.96 per cent
Livestock and Dairy Development	29.570	29.098	98.40 per cent
Irrigation Development	185.946	183.029	98.43 per cent
Roads			
Provincial Roads	604.920	515.794	85.27 per cent
Feeder Roads	270.431	189.544	70.09 per cent
Employment Generation			
Income Generation Activities	18.420	12.027	65.29 per cent
Micro Enterprise Development	78.380	46.381	59.17 per cent
Technical Training	70.480	36.429	51.69 per cent
PMU	54.758	56.721	103.58 per cent
Monitoring & Evaluation	9.830	5.653	57.51 per cent
Total	**1 556.401**	**1 298 970**	**83.46 per cent**

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