



Investing in rural people

Pakistan

Southern Federally Administered Tribal Areas Development Project

Project Completion Report Digest

Document Date: 25-Apr 2014
Project No. 1078
Asia and the Pacific Division
Programme Management Department

Pakistan - Southern Federally Administered Tribal Areas Development Project

Item	Assessment Remarks	Rating
Country & Project Name	Pakistan - Southern Federally Administered Tribal Areas Development Project (FATA)	
Loan No.:	554-PK	
Project Id.	1078	
Board Date	07 December 2000	
Effectiveness Date	24 July 2002	
Original Closing Date	30 September 2011	
Final Closing Date	30 September 2011	
Total Project Cost US\$(M)	21 859	
IFAD loan US\$ (M)	17 154	
Cofinanciers (if any)	Domestic: 173; Government (National): 1895	
Implementing Agency	Government of North West Frontier	
Principal Components	Project components were to be as follows: (i) Community and Women Development; (ii) Agricultural and Livestock Development; (iii) Irrigation Development; (iv) Improved Feeder Road Access; (v) Rural Financial Services; and (vi) Project Management.	
Project Performance		
Relevance	The project was considered relevant to the country, in general, and to the Southern Federally Administered Tribal Areas Development Project (FATA) specific region in particular, as FATA, which was one of the most underdeveloped regions in Pakistan, had never or very limited benefitted from international development support in the past. Similarly, the project was considered to be relevant to the IFAD mandate of fighting rural poverty in the most remote and marginalized communities. The decision to tackle development in FATA was thus timely and necessary. However, project's relevance at design level was harmed by several flaws. For example, the role of the traditional tribal communities' leaders was not sufficiently taken into account, and at management level there was a lack of formal and informal coordination mechanisms with local traditional leadership. The project design was also based on too many components, with the inclusion of some sub-components for which there had not been demand. Moreover, the appraisal report seriously underestimated the management input (at 7.7% of project expenditure) needed to run a project in tribal areas. Problems were also found in determining the unit costs, particularly in the irrigation component. Above all, the main question concerning project's relevance relates to IFAD's capacity to work in highly insecure areas, although the security situation at design was not as dramatic as it became later during implementation.	4
Effectiveness	As acknowledged in the PCR itself, the project can be easily considered as a failure, the only exception being the good results in forming community organisations' groups in spite of the continuing difficult security situation. A number of changes in project design were recommended at MTR, among which the restructuring of the project components and the decision to grant two-year extension to the project. However, mainly because of the rapid deterioration of the security situation in the project area in mid-2005, just after the 2005 mid-term review, IFAD and the Government failed to take prompt and clear action on resolving some administrative and financial matters. As a result, the project was far from achieving any targets and didn't achieve its development objectives.	2
Efficiency	Project's efficiency has been low due to several reasons. The project got off to a very slow start, as effectiveness started 18 months after loan signature. Then, there was a further year before any implementation took place, partly because of the difficulties in securing satisfactory salary scales to encourage qualified staff to work in tribal areas. From the end of 2003, the project management made a commendable effort to catch up lost time. At the 2005 Mid-Term Review, the project completion date was extended by 2 years. The extension of the project was agreed to as, despite the challenging security environment, it was considered that continuation of the project would provide a positive indication of the support to the people of this troubled area. Nevertheless, disbursement at completion was only 27%, and the project did not disburse for the last three years of implementation. The overall project expenditures showed a disproportionate bias to salaries and allowances of contract staff along with vehicle and equipment costs, as well as implementation costs, etc. The need for additional staff at the PMUs and the two-year extension also increased the management to output expenditure ratio. The non-approval/ release of IFAD resources over the last 3 years adversely affected the management to output ratio. Moreover, the audit report for FY 2009-10 indicates a total of about US\$88,300 of ineligible expenses throughout the life of the project (about 1.7% of the funds disbursed).	2
Project Performance		3.5
Partner Performance		
IFAD	Although the decision to tackle development in FATA was timely and necessary, IFAD has been responsible for some critical flaws at project's design level, which - together with other factors - played a	2

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	considerable role in the project's poor performance. Moreover, IFAD took responsibility for supervision only late in project's life (2007). However, no supervision missions were able to be fielded following the 2005 MTR. In the post MTR phase (from 2008), IFAD's performance was particularly poor considering the delays in releasing of funds and the lack of follow-up in dealing with some fiduciary issues. The PCR highlights that IFAD's main shortfall was its inability to develop a crisis situation implementation support approach. The impossibility to apply a certain degree of flexibility in applying internal rules and procedures in view of the extraordinary project context de facto caused the suspension of disbursement and the end of the project. IFAD continued to view this project as "business as usual" and to respond to the challenges posed by its implementation accordingly.	
Cooperating Institution	UNOPS was in charge of project's supervision till 2007. During this period, it carried out its supervision and loan processing in a competent and timely manner being able to field missions in an insecure environment. However, its performance - together with the IFAD's one - in processing the release of the funds was poor. The undertaking of the MTR, the incorporation of lessons learned and the restructuring were considered as only moderately satisfactory.	4
Government	The Government of Pakistan (GoP) performance has been unsuccessful because of the following reasons: i) effective project and loan administration was fundamentally limited by the GoP's bureaucratic procedures and, in particular the prolonged decision-taking process; ii) there was poor leadership at project coordination level; iii) the effectiveness of project management was limited by centralised management practices and in some cases by a lack of coordination and interaction with local traditional leadership, line departments and political authorities. Moreover, high staff turnover and inadequacies of PMU's staffing and logistic arrangements had negative implications for the project in terms of implementation progress, retention of project knowledge and quality of work. On the positive side, in the period leading up to and after the MTR, the PCU dealt with the challenges of implementing the project with admirable fortitude and persistence. With regard to cofinancing, about 91% of GoP's funding was almost entirely utilized. This is commendable, particularly considering that because of the IFAD reluctance to disburse funds over the last four years of the project, these were the only funds upon which the project could rely on, although these mainly covered project management and administrative inputs (salaries and allowances of contract staff along with vehicle and equipment costs) and only limited project activities. In terms of compliance with loan covenants, provisions in the financing agreements were satisfactorily met in nearly all cases.	3
NGO/Other		
Cofinancier(s)		
Combined Partner Performance	<i>Among other things, the project suffered from an unsatisfactory performance of partners. The lack of positive support after GoP and IFAD agreed to extend the loan closing date negatively affected project's implementation.</i>	
Rural Poverty Impact		
Household income and net assets	Within this impact domain, project impact has not been significant, due to several reasons such as: i) law and order concerns; ii) community organisations which did not initiate economic-generating enterprises. The PCR only indicates that by September 2010 around Rps 5.6m (Rps 400 per member) of savings was reported. This was partly the result of the failure to implement the micro credit activities. Moreover, as a result of the unsuccessful agricultural services component, take up of inputs and improved husbandry was slow and consequently output in terms of improved crop income was negligible.	2
Food security	No impact has been detected on food security.	NA
Agricultural productivity	By the time of MTR, only 12% of the available support to research farms had been used, and 5% of research trials. Some improved wheat seed was supplied to farmers through the extension system with positive production responses reported. Livestock development showed signs of contributing significant output. However, this was not quantified.	2
Food security and Agricultural Productivity		2
Natural resources and environment	Substantial inputs were provided through the establishment of nurseries for both woodlots and orchards and the development of community plantations. However, there are not data to assess the impact of these activities for the arrest of environmental decline. However, according to the PCR, given the fact that, although forestry was the largest recipient of the Agency Development Programme's (ADP) funds, the field staff was reported to be able to handle the workload, it could be inferred that this sub-component may have had a minor impact.	3
Human, social capital and empowerment	The project made an effort to improve the wellbeing of the communities through the provision of infrastructure facilities, such as the drinking water supply schemes, irrigation schemes and access to rural roads. However, project's impact in relation to these themes is considered as generally poor. On the other hand, the project successfully established 112 Women's Organizations and 552 Community Organisations	4

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	in FATA's conservative traditional environment, which is a commendable result. However, it seems that, being the project focused on the achievement of targets for formation of COs and implementation of interventions to make up for lost time after loan effectiveness, the quality of the process of CO formation was in part scarified. The communities appeared to have successfully undertaken planning and implementation of project activities, but the target-oriented approach of the project did not contribute significantly to the communities' institutional capacity building and the project's sustainable development objectives. Various capacity building initiatives were carried out in WOs (e.g. on group organisation, kitchen gardening, nursery training and poultry vaccination, etc.). However, it seems that their impact was limited due to the absence of female staff in the line agencies. In addition, although training of both agricultural officers and community extension workers were provided through extension, there was little discernible benefit to their work performance.	
Institution and Policies	The project attempted, through community mobilization, to develop an alternative implementation mechanism to that provided by the traditional tribal leadership system. However, this approach was challenged directly and indirectly by the traditional tribal leader and political agents.	2
Markets	No impact has been detected on this domain.	NA
Project Impact		2
Overarching Factors		
Innovation	The project featured two main innovations: the first one was related to the project area itself, as the project was the first major development investment in FATA; the second innovation concerned the implementation modality of working through the project sub-offices directly with poor households rather than using the political agent system that is based on establishing rapport and influence with the traditional tribal leadership. However, unfortunately, due to the project's poor performance, it was not possible to test these two innovations.	2
Replicability and Scaling-up	As the project basically did not deliver, neither of the two above innovative elements nor other project's features could be replicated or scaled up somewhere else.	2
Innovation, Replicability and Scaling-up		2
Sustainability and Ownership	As most of the activities and community schemes have not been completed, and the benefits of the project are de facto negligible, it is highly unlikely that the benefits of the project would continue after its completion. However, there are a few elements which show some evidence of post-project sustainability: the 50% of the COs and WOs which were formed, were still operating at the end of the project. This indicates that the mobilisation of the communities was in good demand and reflected a real need of these rural people; it is also an indicator that these organizations would likely to operate after the project completion.	3
Targeting	The PCR does not address this issue. At appraisal, it was decided that the target population would include small and medium landowners, sharecroppers and the landless. All rural women would also be considered as IFAD target group. A 2008 supervision report mentioned that the targeting approach in the project design was primarily based on the establishment of formal groupings of male and female organisations in each community through which project resources were channelled. Project implementation tended to exclude project support to communities that did not have community organisations. Development needs of individuals or groups of individuals where community organisations were not established by the project were either bypassed or not given due consideration.	3
Gender	The project had a significant gender focus. To address specifically the gender issues, the project took into account the cultural sensitivities of the tribal communities by adopting a flexible approach to women development. This was necessitated because in FATA area, project experience showed that socio-cultural and religious sentiments of tribal leaders did not favour project's initiatives for formation of women organisations and there were reservations among the communities and local leadership regarding the approach to women development, particularly the formal structures like women organisations. However, the response of rural communities - especially women - has been the most striking project's result. The project managed to establish 112 women COs out of the MTR target of 240 (47%). Despite the obstacles put in their way by better off and more traditional bound leaders, disadvantaged women took up whatever opportunities became available.	4
Overall Performance		2
Estimated number of beneficiaries		
PCR Quality		
Scope	A commendable effort has been made to prepare a PCR which is mostly in line with 2006 PCR Guidelines. The majority of the requested annexes have also been provided.	5

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Quality	Overall, the quality of this PCR is fairly good, even considering that - due to the security situation and the non-release of financial resources over the project's final three years - this document has been prepared only through desk studies of project documentation (progress reports, MTR and Supervision Reports), a series of meetings with the PCU core staff and interviews with staff and consultants associated with SFDP. Although there has been a commendable effort to support the analysis with the available evidence, the lack of data has been an important shortcoming to get to a rigorous and objective assessment of project's achievements.	4
Lessons	The section on lessons learned shows a good reflection on some critical issues which should be carefully considered in contexts which are similar to that where SFDP was implemented. These relate to the IFAD's capacity to work in situations affected by severe security problems, and on the challenges in implementing projects in which very conservative traditional cultures prevail.	5
Candour	The report provides an objective and transparent assessment of the project's (poor) performance. It is also in line with the other project-related documents, which have been used to triangulate the available information.	5