

Pakistan: Dir Area Support Project (DASP)

Item	Assessment Remarks	Rating
Country & Project Name	Pakistan - Dir Area Support Project (DASP)	
Loan Number	425-PK	
Project Id.	524	
Board Date	11 September 1996	
Effectiveness Date	15 April 1997	
Original Closing Date	31 December 2004	
Final Closing Date	31 December 2008	
Total Project Cost USD(M)	US\$ 25.4 million	
IFAD loan USD (M)	US\$ 16.5 million	
Cofinanciers (if any)	US\$ 6 million from the GOP; US\$ 2.6 million from beneficiaries and USD 375,000 from the Bank of Khyber	
Implementing Agency	Planning, Environment and Development Department (PED) of the Government of the North West Frontier Province (GONWFP)	
Principal Components	The project's overall goal was to reduce poverty in the project area by increasing farm and off-farm incomes. The project's objectives are fivefold: 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; v) increase opportunities for on-farm and off-farm employment in the project area. The project consisted of five components: a) community and women's development; b) agriculture development; c) roads; d) employment generation; e) project management.	
Project Performance		
Design	The DASP component mix draws on experience from other projects and corresponded to established strategies. At design level, two main opposite features need to be highlighted. The community participation was the underlying strategy for some of the components: DASP strongly relied on the formation of village organizations (VOs) and women's organizations (WOs) and these were used as the key institutions around which many of the community development activities were organized. This appears as good choice as the beneficiaries felt that the organization of VOs helped to revive the system of village collective work. In contrast, as far as the provision of credit is concerned, the provision of interest based credit was not appropriate for the area due to beneficiaries' reservations on religious ground to obtain credit on interest and perceived as unislamic. In addition, there was a failure in the DASP design in appropriately choosing the Bank of Khyber (BOK) , as the financial institution in charge of credit delivery as BOK had a weak institutional capacity and did not have a strong system to deliver credit in rural areas.	4
Implementation	Project implementation started in 1999 only because staff recruitment proved to be difficult in a relatively remote area. As a result of the exchange rate gain, the DASP budget almost doubled in rupee terms and the project was extended twice. The exchange rate gains enabled the upward revision of the numbers of VOs and WOs to be formed and the length of provincial and feeder roads. At project closing in June 2008, DASP has spent 94% of its total allocated budget. The original role assigned to BOK at appraisal was to provide it with a credit line for the micro-enterprise development sub-component. However, BOK's involvement proved to be unrealistic as BOK rules and regulations did not permit operations outside a given district . Thus, the collaboration with BOK was terminated by December 2004. The following decision to place the responsibility of credit delivery on the PMU was a faulty one as it replaced one ineffective system with another unsustainable arrangement as the PMU had little capacity for effective implementation of this component. Finally, the implementation modality for the infrastructure component of the Community Development Fund (CDF) and the road component, proved not to be appropriate for the small rural households, as the VOs were subjected to the same conditions that were levied on large contractors such as outdated schedule rates, withholding funds from community payments as security, a payment plan which expected communities to pay for part of the schemes upfront.	4
Relevance	The project is found to be well suited to the needs of the target population and it is in line with IFAD's Country Strategy for Pakistan and with the Gov't PRSP; retrospectively, DASP also addressed the strategic priorities defined in the IFAD's	4

Item	Assessment Remarks	Rating
Country & Project Name	Pakistan - Dir Area Support Project (DASP)	
	2002 strategy for Asia and the Pacific. The component mix chosen for DASP (physical infrastructure, agriculture and livestock services, training and skill development) appears to be highly relevant for the project area and highly relevant for addressing the needs of the target population and for helping them diversify their source of income. In contrast, the interest-based microcredit programme was not appropriate for the project area , as there were deep reservations regarding its interest based nature.	
Effectiveness	The PCR concurs with the findings of the Project Completion Evaluation that the four project outcomes have been largely attained . Significant incremental agricultural and livestock production in the project area have been achieved and project's beneficiaries benefited from the production of new vegetable crops and from livestock. In terms of off-farm employment generation, the DASP helped to create jobs as a result of its investment in vocational training and skill development. In addition, village-based job creation was aided as a result of the investments in physical infrastructure, livestock extension training and the instituting of O&M arrangements for some of the schemes run by the VOs. Market access due to the construction of provincial and feeder roads has improved. The status of women was impacted by the project as women were organized into WOS for the first time and received vocation and technical training and also initiated enterprises. In addition, the establishment of nurseries and poultry production was particularly useful in providing an on-going source of employment for women.	5
Efficiency	Despite the extension in project life of almost 60%, the project was completed within the USD amount allocated for it and most physical targets were met . While this was primarily due to the devaluation in the rupee , in part this was also attributed to the low per unit cost of many of the physical infrastructure schemes such as roads, dug-wells, irrigation scheme, demonstration plots. With reference to the efficiency of the agricultural development component, the Project Completion Evaluation noted that it was not possible with the available data, to precisely assess whether the expected rates of return for agriculture and livestock activities were attainable by project completion, because of methodological flaws found in the baseline and impact studies. However, triangulation from other data sources suggested that the assumed physical productivity increases (food grain and milk yields) estimated at appraisal seemed realistic and that the number of farm households participating in the generation of the effective benefit stream was substantially higher in reality than assumed at appraisal.	4
Partner Performance		
IFAD	IFAD provided substantial and very detailed design inputs in the project's Formulation and Appraisal stages. However, IFAD failed to put in place stronger mechanisms for ensuring that quality standards were adhered to, monitoring and evaluation was systematically conducted and recorded and that emerging lessons were properly documented and shared . As far as the credit component is concerned, IFAD did not put in place a proactive system for evaluating the unsatisfactory performance of the BOK and re-designing this component sufficiently early in the project life. Moreover, by the time this component was redesigned in 2004, IFAD failed to place the responsibility of the credit component with the PMU and did not consider that there were other better and more sustainable institutional options available in project's area. IFAD's direct supervision experience in DASP is considered to be somewhat disorganized and has not been very rigorous . The presence of the Field Presence in Pakistan has helped to initiate a more proactive approach to some of the problems faced by DASP. As far as the sustainability of VOs and WOs is concerned, IFAD should have put more effort in policy dialogue with Government in order to deal with this issue at a higher level, as it could not be resolved at project level.	3
Cooperating Institution	UNOPS was supposed to conduct two missions per year, as agreed in the Appraisal Report. In reality, due to lack of funds, UNOPS conducted only one mission per year . UNOPS supervision missions did not always have the requisite expertise required; in addition, UNOPS supervision reports were partly repetitive and the suggestions of the supervision missions were often ambitious and unrealistic . Finally, the supervision missions did not always point the key flaws in implementation .	3
Government	Gov't provided all the funds expected from it. There were several Government line agencies involved in the project and responsible for putting in place implementation arrangements. These line agencies undertook the activities that were assigned; however they were affected by some critical issues such as - inter alia - weak system of incentives, poor performance orientation, delays in decision making, poor culture of sharing lessons learnt in a systematic manner . The PMU that had	3

Item	Assessment Remarks	Rating
Country & Project Name	Pakistan - Dir Area Support Project (DASP)	
	the responsibility for a large part of the project activities, was not very proactive in problem solving , plus the nature and number of audit objections indicate a weak system of financial management . The Special Development Unit (SDU) was not always able to resolve some of the key constraints in a timely manner , as for example, the problem with high staff turn-over due to the low salary level was remedied only in 2004-2005 . The performance of the Government of North West Frontier Province (GONWFP) with regard to its weak oversight of line agencies was also frequently reported as a matter of concern . M&E is also considered a weak area .	
NGO/Other		
Cofinancier(s)	The BOK which was selected for providing a credit line to the entrepreneurs constrained by shortage of capital, did not have arrangements to provide loans to project's area and its management had little commitment to providing finance to rural areas . Thus, the collaboration with BOK was terminated in 2004. The credit line availed by DASP never reached 10 per cent of VO members and no WO member was even given access to BOK sponsored loan.	2
Combined Partner Performance	The complexity of DASP was not met by adequate technical support by IFAD, CI and GONWFP.	3
Rural Poverty Impact		
Physical Assets	The project helped in improving both the individual and community physical asset base . In terms of community infrastructure, DASP rehabilitated the irrigation infrastructure which helped to improve water supply to 5,500 ha of command area thus benefitting 6,000 households; the soil and water conservation measures helped to claim 460 ha of rain-fed land for close to 2,500 households. The project also provided in-house flush latrines, village street pavement for 1356 households, hand pumps for 75 households, water supply system for 863 households and vegetable sheds for 67 households. It helped also to improve livestock through its artificial insemination programme, by distributing improved bucks ram and poultry and by training men and women in improved animal care. On the whole, DASP is said to have improved the physical asset base for more than 10,000 households .	5
Financial Assets	The CPE noted that DASP had created about 7,700 new jobs each one with an incremental monthly incomes in the range of PKR 1 000 – 3 000 as reported by the training impact assessment study. This alone indicated that 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). 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 . In terms of financial services, DASP had introduced the local community to the banking sector even though the credit component project was not very successful . The villagers used the formal financial sector institutions for depositing their savings and many of the VOs and WOs continued to use the formal banks to maintain their savings accounts. Finally, women had particularly benefited from the establishment of the forest nurseries and some of them were earning a relatively large amount of income from these enterprises.	4
Food Security	The assessment of project's performance within this impact domain is not straightforward, due to lack of data. However, according to the impact study on the agricultural component of the DASP (2005), consumption of wheat, maize and paddy had increased by 8 per cent to 23 per cent as compared to the pre-project situation . VO and WO interviews also consistently report that most of the incremental milk production goes into household consumption. The Completion Evaluation (2007) also asserted food security has been substantially improved due to project activities . Finally, the increase in income as a result of training especially for women is expected to have an impact on food security as women tend to spend a greater share of their incomes in meeting the basic food requirements of the household.	5
Environment	DASP has exerted both a positive and negative impact on the environment , with the positive impact far outweighing some of the negative impacts. The project helped in the reforestation of more than 4,400 ha of land. In contrast, the construction of the roads - especially the two main provincial roads - led to some negative consequences since one of the main roads passes through an area highly prone to sliding. The introduction of forest nurseries and the plantation of more than 900,000 trees are expected to exert a positive influence on the environment.	4
Human Assets	DASP focused on vocation and technical training for both men and women ; it also provided formal training to young men from poor households. The enterprise development training resulted in expansion of businesses, enhanced technical as	5

Item	Assessment Remarks	Rating
Country & Project Name	Pakistan - Dir Area Support Project (DASP)	
	well as entrepreneurial skills and increase in the number of employees and clients. This effort also helped in evolution of business to business linkages and cluster association and generated employment directly and indirectly. Females' training has created significant impact on the socio-economic condition of the training participants and their families. In addition to enterprise, women were imparted training in the social sectors as well as primary school teachers and as medical technicians. As a result many of them were able to secure jobs as primary school teachers in Government schools.	
Social Capital and Empowerment	The creation of VOs and WOs has created a sense of empowerment and ownership among local communities . The direct identification, implementation and supervision of village level projects has also played a significant role in enabling people to feel in greater control of resources ; moreover, they feel much better able to negotiate with line agencies and other implementing agencies regarding basic services for their village. It was highlighted that a principal reason that the Taliban had not been able to make inroads into Dir was because of the social awareness and organizational ability created by DASP through the VOs. On the other hand, the communities did not have a role in the provincial roads component . This represents a major shortcoming as they were excluded from the design, implementation and supervision of this component which eventually accounts for the largest share of the DASP budget.	4
Ag. Productivity	Precise impact assessment in this domain is difficult due to the lack of consistent data series and the flawed methodology of the impact analysis of the agricultural development component. However, evidence gathered in VO and WO interviews and the DASP self-evaluation suggests that the project has contributed to a substantial increase in crop and livestock productivity. They noted in particular the availability of wheat seed, the introduction of vegetable crops that were not well known in the region, the increase in the poultry production managed by women. It was also reported that additional water from the water scheme ensured a second crop in some areas.	5
Institutions and Services	DASP had a significant impact in giving the beneficiaries the opportunity and the courage to ask for Gov't services through the line agencies. Thus, access to public institutions and services had gone up dramatically since project inception . In addition, DASP had a significant impact in allaying local apprehensions about the role of NGOs in development. As a result it has opened up the possibility for other NGOs to work in the project area.	5
Markets	By building several roads, the project greatly facilitated beneficiaries' access to markets, helped reduce the distance to and from the main towns and helped to better connect the project villages. However, the poor quality of roads and their poor maintenance mainly due to lacks of funds for maintenance have to be singled out.	4
Rural Poverty Impact	<i>The project is contributing to alleviate rural poverty in practically all impact domains. It is worth noting that for the beneficiaries the reason that Dir had been able to resist the Taliban influence was due in large measure to the positive impact of DASP.</i>	5
Overarching Factors		
Innovation	There were few innovative features in DASP project. As far as the community participation approach is considered, this was not new when the project was designed, as it featured other projects already implemented in Pakistan. However, the community mobilisation and organization component focusing particularly on women, was a new modus operandi for the project villages of the Dir area ; line agencies in the project area had not worked with this approach before and it was a novel idea for them to work closely with community members. The introduction of credit as part of the package of services was not a novel idea as it had become fairly standard at that time to provide credit as one key input for agricultural development and growth. Innovations with regard to upgrading technology and developing of new products for the promotion of micro-enterprises were also limited .	3
Replicability and Scaling-up	The provisions to replicate and up-scale some of project's activities, should these have succeeded, were generally very weak . There was little scope to upscale the experiment with community participation . For the up-scaling of this approach, there was a need for policy dialogue with the Gov't to change the manner in which Gov't line agencies functioned at the village level. This opportunity has not been exploited by IFAD . With regard to the agriculture component, the opportunity to upscale and replicate some of the experiments linked to new technologies has been wasted , as the extension agents did not record the basic parameters of the demonstration plots and events, such as location, dates, description of farmer and improved technologies and comparative yields obtained.	3

Item	Assessment Remarks	Rating
Country & Project Name	Pakistan - Dir Area Support Project (DASP)	
<i>Innovation, Replicability and Scaling-up</i>		3
Sustainability and Ownership	Components of the project which have a better chance of sustainability are the vocational, technical and skill training, especially where these lead directly to employment and increases in incomes . As far as the roads built under the DASP, there are concerns about their sustainability , due to their deteriorating status. The sustainability of the agriculture and livestock components depends upon the availability and affordability of the demonstrated inputs and techniques. It is difficult to comment on the exact uptake of these improved technologies due to the lack of data. With regards to the sustainability of the VOs and WOs, they are still fragile constructs and require further systematic support ; only few may last much beyond the project life. Clear strategies and systems for support of CBO sustainability have not been formulated; the community members do not have very definite plans for the future growth of the VOs and the WOs. However, some of them are integrating vertically into cluster organizations, thus being able to connect with NGOs or line agencies for better negotiating funds and services.	3
Targeting	The project has followed the targeting criteria proposed by the Appraisal Report. However, the PCR also mentions that targeting concerns were echoed by various supervision missions which felt that the project was not reaching the poorest members of the community .	4
Gender	DASP focused particularly on women . The status of women was impacted by the project for the first time, as women were organized into WOs, they received vocation and technical training and also initiated enterprises. Main outcome of the training has appeared in terms of financial gains in diverse forms: sensitization about empowerment to have control on the earned money and savings, courage and confidence for entering into enterprising activities, taking calculated risk, and optimism in making efforts for solving problems by own means. In addition, establishment of nurseries and poultry production was particularly useful in providing an on-going source of employment for women. However, as far as the status of women and girls education is concerned, the efforts of DASP have been seriously undermined by the growth of fundamentalism in the areas surrounding the project area.	5
Overall Performance		4
Estimated number of beneficiaries		
PCR Quality		
Scope	The outline was respected and almost all required annexes included. The annex on the financial and economic analysis is missing.	5
Quality	Overall, the PCR appears to be of a good quality. The qualitative assessment is well structured and analytical.	5
Lessons	Lessons learned identify project's main shortcomings and are very critical. They appear to be useful for the design of follow - up activities.	5