



1. Project Data:		Date Posted : 03/03/2004	
PROJ ID: P010478		Appraisal	Actual
Project Name : Nwfp Community Infra	Project Costs (US\$M)	38.8	22.37
Country: Pakistan	Loan/Credit (US\$M)	21.8	13.9
Sector(s): Board: UD - General water sanitation and flood protection sec (36%), Sub-national government administration (34%), Roads and highways (22%), Central government administration (6%), Other social services (2%)	Cofinancing (US\$M)	3.9	6.15
L/C Number: C2829; CP761			
	Board Approval (FY)		96
Partners involved : SDC, UNICEF	Closing Date	12/31/2001	06/30/2003
Prepared by :	Reviewed by :	Group Manager :	Group:
Soniya Carvalho	Nalini B. Kumar	Alain A. Barbu	OEDST

2. Project Objectives and Components

a. Objectives

The original development objective of the project was to increase the productivity and well -being of low income groups in North West Frontier Province (NWFP) through improving their living conditions by provision of basic infrastructure and community development . This would be achieved by: (a) infrastructure upgrading and community development in existing urban and rural low-income settlements; (b) promoting the use of demand-driven, participatory design procedures and affordable standards for infrastructure; (c) strengthening the ability of provincial and local governments to collaborate with communities to implement low -income infrastructure programs; and (d) promoting sustainable arrangements for operations and maintenance (O&M) of basic services. While the Development Credit and Project Agreements were amended in May 2001, the project objectives remained unchanged. The main changes related to the scope and allocation of resources to project components and institutional arrangements.

b. Components

The original components were: Community Infrastructure including subcomponents of infrastructure upgrading, community development, and design and implementation assistance; and Institutional and Project Preparation including subcomponents of local government election and rural development study, national housing authority technical assistance, and project preparation . While the components and subcomponents remained the same, the scope and allocation of resources to these components were revised when the Development Credit and Project Agreements were amended, but the ICR does not give a consistent cost breakdown after revision . According to the Region, a consistent cost breakdown after revision shows that there were no major changes in project design as had been prepared".

c. Comments on Project Cost, Financing and Dates

The full amount of the IDA credit was not disbursed by the closing date . It is estimated that US\$ 4.49 million will be cancelled. The project closing date was postponed twice from December 31, 2001 to December 31, 2002, and then to June 30, 2003.

3. Achievement of Relevant Objectives:

The project aimed to reach "low income groups" in North West Frontier Province, but the effectiveness of poverty targeting under the project is unclear especially given that there was political influence over the subproject identification and selection process in the first two of four phases of the project (ICR page 18). While an Evaluation Report shows improvement in some aspects of living conditions (see section 4), the soundness of its methodology is not clear and the improvements cannot be attributed to the project given that no counterfactual was employed . The extent to which the project promoted community development and the use of a demand -driven and participatory

approach or the extent to which it strengthened the ability of provincial and local governments to collaborate with communities is also unclear. The Federal Facilitation component which aimed to facilitate the latter, was "implemented prematurely and lacked in some cases well trained instructors . It therefore did not have the full impact that was intended, didn't cover all stakeholders" (ICR page 19). According to the Evaluation Report, cost of the project schemes were 35% lower than local government norms (ICR page 8), but it is not clear that local government cost norms were realistic in the first place .

4. Significant Outcomes/Impacts:

1. The project reached 90 communities with 550,000 direct beneficiaries.
2. The project influenced thinking on decentralization and participatory approaches .
3. While the soundness of the methodology used is not clear, an Evaluation Report found that there were mean time savings due to road construction, mean improvements in the overall look of the community, environmental conditions, and quality of life, increase in land value, reduction in illness and conflict, and improvement in income level (ICR page 6). The same Evaluation Report also found a lowering of project infrastructure capital and operating costs relative to the cost of traditional government schemes, and that "evidence of increased community participation in government development activities" was 75%. But there are questions about the methodology, for example, what is meant by the last item and how was it measured.
4. Almost all of the beneficiary contribution was available and in some cases communities exceeded contribution by 30-40%.
5. One set of results reported in the ICR showed that the Economic Internal Rate of Return for the six community projects ranged from 25 to 75%. The ICR also reports a varying set of results (ICR page 15).

5. Significant Shortcomings (including non-compliance with safeguard policies):

1. There was political influence over the subproject identification and selection process in the first two of four phases of the project (ICR page 18) and it is not clear how much the project contributed to well-being of low-income groups, a major project objective.
2. Various community development training activities and campaigns as well as the Institutional Strengthening Program had a mixed performance (ICR page 11, 13) and the extent to which a participatory process was followed is not clear.
3. Project management was exceedingly weak : staff turn-over and lack of adequate incentives for extension staff remained an issue throughout the project years and were not adequately dealt with by the government until the last one and a half years of implementation (ICR page 23).
4. Coordination among government departments was very weak so that "several primary and community infrastructure schemes had to be rebuilt, because the other utility departments installed their pipes or lines after the (project) schemes had already been completed" (ICR page 18-19).
5. The project's financial management needed improvement (ICR pages 27, 30), and the project's financial aspects were rated modest (ICR page 39).
6. Environmental sanitation was one of the weak points in community development (ICR page 11), and the project's environmental aspects were rated modest (ICR page 39).

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Moderately Unsatisfactory	OED rates a project moderately unsatisfactory when the project meets its major relevant objectives with major shortcomings. Effectiveness of poverty targeting under the project is unclear especially given that there was political influence over the subproject identification and selection process in the first two of four phases of the project (ICR page 18). The extent to which the project promoted community development and the use of a demand-driven and participatory approach or the extent to which it strengthened the ability of provincial and local governments to collaborate with communities is also unclear. The Federal Facilitation component which aimed to facilitate the latter, was "implemented prematurely and lacked in some cases well trained instructors . It therefore did not have the full impact that was intended, didn't cover all stakeholders" (ICR page

			19). These and other project shortcomings (see section 5) suggest that the project achieved its major relevant objectives with major shortcomings.
Institutional Dev .:	Substantial	Modest	The performance of the main institutional development components of the project was modest or unsatisfactory (ICR page 7). There is no clarity at this stage on the project's impact on critical institutional relationships, viz., between the Community-based Organizations supported by the project and Citizen's Community Boards created under the 2001 Local Government Ordinance, and the relationship of both these groups to Tehsils and Districts. The Institutional Strengthening Program was much delayed and had mixed performance (ICR page 13).
Sustainability :	Likely	Non-evaluable	A large proportion of the project infrastructure was completed in the closing years of the project. Not enough time has elapsed to assess sustainability in most cases. An Evaluation Report found that about one-third of the project facilities were not being maintained in working condition one year after completion (ICR page 9).
Bank Performance :	Satisfactory	Unsatisfactory	While the Bank's supervision was able to ensure that physical targets were achieved in the closing years of the project, a seriously flawed project design at entry delayed and adversely affected overall project benefits and impact especially with respect to community development, demand-drivenness, and institutional strengthening. The problems of government's ability to implement the project were not sufficiently highlighted in the project risk assessments. There were delays in the adoption of safeguard policies (ICR page 23). The project M&E system appears to have been overly focused on inputs and outputs. While "process monitoring" under the project might have yielded useful qualitative data, there appears to have been little attempt to analyze such data. The fact that the results of the "process monitoring" exercise are not reported in the ICRs leads to the conclusion that not much useful or reliable data emerged from it. In addition, there appears to have been an uncritical acceptance of the results of the Evaluation Report with no attention to its methodological soundness. All of these reduce the Bank's ability to learn from experience and improve project effectiveness.
Borrower Perf .:	Satisfactory	Unsatisfactory	Wavering government commitment to the project for most of its life except the last couple of years, led to significant delays,

		staff turn over, and extremely poor project management. Government policies restricting engagement of NGOs made it difficult to outsource project management functions to them in the beginning and even later this was done only to some extent (ICR page 19). "Compatibility with NGO remained a gray area for the government officials/system due to contrasting working environment" (ICR page 25). There were also weaknesses in community development (CD): "One of the major bottleneck toward the incorporation of CD aspect was the lack of female staff at the higher level in the Project Management Unit".
Quality of ICR :		Satisfactory

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

Lessons in addition to those in the ICR are :

1. Physical targets may be achieved in a short time period, but the qualitative aspects of a project especially those relating to community development and participation cannot be rushed .
2. Reporting data on some performance indicators or preparing evaluation reports are not enough . Without attention to quality and methodological soundness, their learning value is much reduced .

8. Assessment Recommended? ☒ Yes ☐ No

Why? To verify the ratings.

9. Comments on Quality of ICR:

Satisfactory overall, albeit marginally so . Greater analysis of the project's targeting effectiveness, extent to which the project promoted community development and the use of a demand -driven and participatory approach, extent to which it strengthened the ability of provincial and local governments to collaborate with communities, and a more critical analysis of the methodology and results of the Evaluation Report, would have improved the ICR's ability to promote lesson learning .

There is discrepancy in actual total cost figures in Annex 2. The first table notes actual total cost as US\$ 46.6 million while the subsequent tables gives it as US\$ 20.9 million and US\$ 22.37 million. The scope and allocation of resources to these components were revised, but the ICR does not give a consistent cost breakdown after revision .