

1. Project Data: Date Posted : 04/28/2003				
PROJ	ID: P010482		Appraisal	Actual
Project Nar	ne: Balochistan Community Irrigation & Agri.	Project Costs (US\$M)	38.5	34.2
Coun	try: Pakistan	Loan/Credit (US\$M)	26.7	23.1
Sector	 (s): Board: RDV - Irrigation and drainage (38%), Sub-national government administration (22%), Water supply (20%), Flood protection (20%) 	Cofinancing (US\$M)		
L/C Numb	per: C2780			
		Board Approval (FY)		96
Partners involved :		Closing Date	06/30/2001	06/30/2002
Prepared by :	Reviewed by :	Group Manager :	Group:	

Robert C. Varley John R. Heath

2. Project Objectives and Components

a. Objectives

- Redefine government's role in minor irrigation development and provide assistance to facilitate change;
- 1. Develop sustainable farmer organizations (FO), which amongst other things, can efficiently operate and maintain minor irrigation systems;

Alain A. Barbu

OEDST

- 2. Develop self-sustaining irrigation systems, and increase FO participation in their planning and construction;
- 3. Increase beneficiaries' incomes and alleviate poverty; and
- 4. Increase the recovery of public expenditures on irrigation infrastructure from beneficiaries .

b. Components

- Total costs of \$34.2 million comprised:
- 1. Community Development and Support (19.8%)
- 2. Irrigation Infrastructure (57.0%)
- 3. Institutional Strengthening (3.9%)
- 4. Strengthening Project Management (19.3%)

c. Comments on Project Cost, Financing and Dates

The Pakistani currency devalued by 100% against the dollar during project implementation contributing to a 11% underrun in US dollar costs and an overrun of 30% in Rupees. The Government of Balochistan withdrew from participation in the National Drainage Project (NDP) during project implementation. The NDP was to have funded capacity building of the Community Irrigation Service Unit (CISU) and the Community Irrigation Division (CID). Thus expenditure on institutional strengthening was only 30% of that anticipated at appraisal.

3. Achievement of Relevant Objectives:

- The transformation of Balochistan Irrigation Department (BID) from a builder in the case of minor irrigation works, to a provider of technical services, was initiated by establishment of the CISU, but has only been partially achieved. The project did succeed in demonstrating irrigation management transfer (IMT) and command area development (CAD) widely throughout the Province.
- 37 FOs were formed and trained to take over control and management of perennial irrigation systems (PISs) and flood irrigation systems (FISs.) Two-thirds of FOs have a good chance of remaining sustainable in the post-project period, while the remainder do not appear to be sustainable.
- 3. The cumulative impact of 36 PISs was to increase estimated full-development water discharge from 136 to 390 cusecs, and area under cultivation from 4,089 to 6,478 ha. These minor irrigation systems were made self-sustaining by the FOs' ownership, shared construction costs and the assumption of full responsibility for operations and maintenance. On average communities financed 13% of actual construction cost.
- 4. Cropped Area increased by about 33% compared to the baseline and both economic and financial return targets were achieved. Poverty targeting, applying rigorous technical, economic, social and environmental criteria, selected 34 from an initial 570 sites. The project provided extension to project beneficiaries leading to major

changes in seed use, pest control and orchard cultivation practices . Benefits accrued to 9,200 families, both landowners and sharecroppers, most of whom were among the poorest of the poor .

5. Recovery of public expenditures has increased and nearly all the amounts due for construction and preparation phases have been collected. It is too early to tell whether collections for O&M needs will be as high.

The ERR at appraisal was 14% and 13.2% in the ICR (the investment costs include 6 drought prone PISs but exclude 4 experimental FIS and 6 mini-schemes. The overall financial rate of return at completion was 44% (farmers sharing 15-30% of the capital cost) and ranged from 35% to 90% depending on altitude.

4. Significant Outcomes/Impacts:

- Implementation was good; despite drought and serious security problems the TA team and government's project staff defended beneficiary interests, enabled them to organize 37 FOs and delivered 8,788 person months of training.
- The provision of potable water supplies and implementation of women's development activities had a significant impact by improving health and hygiene and boosting kitchen gardens. 85% of the 140 randomly-selected respondents in the impact survey believed the workload of women, water -related diseases and malaria incidence had been reduced as a result of supplying potable water.
- 3. Both consumption and investment increased farmers spent 33% of incremental income on agricultural implements and increasing farm area.

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

- The Project Management Unit promoted services but is not yet equipped to provide them. Withdrawal from the NDP has reduced the CISU to a skeleton staff and BID has been slow to change its role from a constructor of irrigation schemes to a supplier of integrated technical services for FOs (Institutional strengthening, the prime objective, was not project-specific but perceived as a change in the overall framework for BID.)
- 2. The project has not established the support that FOs need for an estimated 3-4 years. Because of operational difficulties planned field offices were established in the capital Quetta instead.
- 3. Delays in completion resulted in a drastic squeezing of aftercare, which also adversely effected command area development (CAD) by the FOs.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
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:

- 1. Greater emphasis should be laid on CAD, which is far more cost effective at improving scheme efficiency than high-cost headworks.
- 2. Technical criteria for pilot FISs should allow for the beneficial economic impact of increased groundwater recharge.
- Contracts for FO labour should be awarded at market rate (not 25% below contractor rates.) this would avoid unfair competition from contractors who are able to "front-load" costs not included in FO contracts, and hence put in lower bids on unit rates.

4. There is a trade off between using a PMU and government departments. The PMU is usually more efficient, but the opportunity to improve government efficiency is lost.

8. Assessment Recommended? O Yes 🛡 No

9. Comments on Quality of ICR:

Satisfactory. The economic analysis was comprehensive and thorough.