Report Number: ICRR0021823

1. Project Data

Project ID	Project Name
P126833	PK: FATA Rural Livelihoods & Infra
Country	**Practice Area(Lead)**
Pakistan	Agriculture and Food

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
TF-11857,TF-A4166	31-Dec-2018	12,966,879.76
Bank Approval Date	**Closing Date (Actual)**	
05-Apr-2012	31-Dec-2018	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	20,100,000.00	20,100,000.00
Revised Commitment	20,100,000.00	20,100,000.00
Actual	12,966,879.76	12,966,879.76

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

According to the Emergency Project Paper (p. v) and the Multi-Donor Trust Fund Grant Agreement of April 12, 2012 (p. 5) the objective of the project was "to improve livelihoods and access to basic service infrastructure in selected Agencies in Federal Administered Tribal Areas (FATA).

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

19-Jun-2015

c. Will a split evaluation be undertaken?

No

d. Components

The project included four components:

Component A: Community Development and Social Capital Building (appraisal estimate US$0.6 million, estimated cost with Additional Financing US$0.97 million, actual cost US$0.6 million): This component was to finance two sub-components:

1) Social mobilization: activities were to include consultations with local communities; village mapping with agriculture and livestock related needs that were to be supported through the project; informing communities on site and beneficiary selection and implementation of infrastructure and livelihoods support through farmer and community groups. Locally based indigenous organizations were to be identified as social mobilization partners for the project to carry out above activities. The Additional Financing was to include nurturing the culture of regular savings and building inclusive, responsible, dynamic, and robust local institutions that were to build productive linkages with the government and development partners and enhancing their productivity and access to markets. Also, the Additional Financing was to further strengthen and streamline the preparation and implementation of Community Action Plans (CAPs) by mobilizing project and additional resources through productive partnerships with the government and other development partners.

2) Institutional strengthening of local indigenous groups: activities were to include training and capacity building of the involved local communities, farmers and other community groups formed and/or revitalized by the project. The locally based indigenous organizations engaged with the project were to be provided with training to strengthen their institutional capacities for becoming viable, inclusive and professional organizations.

Component B: Community Infrastructure and Services (appraisal estimate US$8.9 million, estimated cost with Additional Financing US$12.48 million, actual cost US$8.4 million): This component was to finance rehabilitation of damaged infrastructure, the construction of new infrastructure, and operation and maintenance (O&M), with priorities to be established in consultation with the community groups, recognizing that overall priority would be accorded to rehabilitation and O&M. The implementation strategy was to be twofold: (i) providing infrastructure as "quick win schemes" that were to be identified at the time of entry to a village/settlement through consultations with the entire community facilitated by the local Jirga (council of elders); and (ii) providing infrastructure as "development schemes" that were to directly support agriculture and livestock development following a social mobilization process to identify the targeted farmer interest groups or community groups that were to agree to implement the scheme and take the responsibility for O&M.

Component C: Livelihoods Support (appraisal estimate US$1.5 million, estimated cost with Additional Financing US$1.89 million, actual cost US$0.9 million): This component was to finance generating livelihood opportunities in agriculture and livestock sectors by targeting small and marginal farmers and women in the project area to help them sustainably adopt improved production technologies and management practices. This component was to address the challenge of moving farmers out of a traditional, low-input/low-output production system through changes in improved seed availability and farming practices by providing sub-projects that enhance farmers' knowledge and skills base, organize them to improve distribution and farming techniques through availability of quality seed and other inputs at farm level and strengthening farm and animal husbandry practices. The scoping for livelihoods sub-projects eligibility was to be done through social mobilization process where community needs assessment would be carried out and farmer or community groups would be identified. The involvement of local Jirga and other community members was to be ensured at the time of farmer/community group identification. The Additional Financing was to continue providing context-based interventions for livelihood development—that is, to restore and strengthen on-farm, off-farm, and non-farm livelihoods.

Component D: Institutional Strengthening, Monitoring and Evaluation, and Project Management (appraisal estimate US$ 1.0 million, estimated cost with Additional Financing US$2.0 million, actual cost US$2.03 million): This component was to finance the establishment of systems and procedures for participatory planning, implementation and performance monitoring, technical training program for the extension and management staff of the involved line directorates, and exposure to similar Community Driven Development (CDD) models through in-country and international experience exchange. Also, this component was to explore introduction of new/innovative approaches for community-government partnerships.

During the Additional Financing this component's name was changed to **"Component D: Project Management and Implementation Support"** as institutional strengthening is already part of component A

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The project was estimated to cost US$12 million. Actual cost was US$12.966 million. The project received Additional Financing in the amount of US$8.1 million.

Financing: The project was to be financed by a US$12 million Trust Fund which fully disbursed and a US$8.1 million Trust Fund of which US$966,880 was disbursed.

Borrower Contribution: It was not planned for the Borrower to make any contributions.

Dates:

During the Mid-Term Review (MTR) in March 2014, the project's Results Framework was revised: i) indicators related to area under improved irrigation were removed since it was not planned as envisaged; ii) an additional indicator was proposed since quick-win schemes had been aimed at households whereas other indicators captured community-level results; iii) all indicators under component C were merged and only one indicator was used to measure the number of community members provided with livelihoods support.

The project was restructured three times:

- On June 19, 2015 the project was restructured to revise indicators and ad outcome targets, modify, components and costs, extend the loan closing date and reallocate between disbursement categories. The Bank team could not locate the restructuring paper so no details can be provided for this restructuring.
- On December 4, 2015, the project was restructured to change the loan closing date by six months to June 30, 2016 to allow for the completion of on-going schemes in those communities where Community Action Plans (CAPs) were already in place and priorities had been identified.
- On June 22, 2016, the project was restructured to extend the loan closing date from June 30, 2016 to December 31, 2016 while the government's request for Additional Financing is being processed by the Bank.
- On February 3, 2017, the project received Additional Financing in the amount of US$8.1 million to expand the project's outreach to the entire FATA (from four agencies to seven agencies and six frontier regions (FR)). The change in scope was to provide the project with flexibility to address priority community needs, especially those of Temporary Displaced Persons (TDPs), as they emerge. The project was to focus on (a) the current three Agencies of Bajaur, Mohmand, and South Waziristan, (b) deepening and expansion of interventions in South Waziristan, (c) new interventions in selected cleared areas of North Waziristan; and (d) extended outreach to Khyber Agency and FRs Bannu and Tank. The Results Framework was revised to reflect the increased targets of all indicators and remove/add a few indicators where relevant.

3. Relevance of Objectives

Rationale

The Pakistan's northwest frontier region is divided into two major political entities – the province of Khyber Pakhtunkhwa (KP) and the semi-autonomous tribal agencies of FATA. The FATA comprises of seven Tribal Agencies and six Frontier

Regions. According to the 2008-09 population estimates the total population of FATA is about 4.02 million people with an annual growth rate of 2.19%. The FATA region has historically remained amongst the poorest parts of Pakistan. In 2009, 60 percent of the population lived below the poverty line. Also, the region's population suffered from weak institutional capacity and lack of basic services such as clean drinking water, sanitation, and adequate physical access to social services creating conducive environment for opportunistic militant groups whose economic incentives for potential recruits greatly outweighed the alternatives available to the people for their livelihoods.

In 2009, the government of Pakistan asked its development partners to conduct a Post-Crisis Needs Assessment (PCNA). The project's objective was in line with the second pillar ("employment and livelihood opportunities") and third pillar ("provision of basic services") of the PCNA. The project's objective is also in line with the Bank's Country Partnership Strategy (2010-2013) which aimed to "improve security and reduce the risk of conflict" and acknowledged the conflict in KP and FATA as a threat to the most vulnerable and marginalized population. The PDO was furthermore in line with the Bank's most recent Country Partnership Strategy (2015-2020) which in its third results area focuses on "support for inclusive growth by reducing inequalities for vulnerable groups, including women and youth and those in poor or conflict affected areas".

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve livelihoods and access to basic service infrastructure in selected Agencies in Federal Administered Tribal Areas (FATA)

Rationale

The project's theory of change linked the provision of inputs including capacity building activities such as training, peer learning and mentoring to locally based indigenous organizations with outputs such as community organizations being created, and members being mobilized and strengthened. Also, the project's theory of change linked the provision of inputs such as financing the rehabilitation of physical existing infrastructure with outputs such as physical infrastructure development projects being developed and implemented and the provision of inputs such as financing agriculture and livestock related infrastructure and support to smallholder farmers with critical inputs with outputs such as improved agricultural infrastructure, productive assets and access to market. In addition, the project's theory of change linked the support for livelihoods and beyond subsistence farming with outputs such as diversifying income generating activities. All these outputs were to result in outcomes such as improved access to basic services and improved livelihoods.

Outputs:

- The project benefited a total of 64,680 beneficiaries, slightly surpassing the target of 64,630 beneficiaries.
- 5,786 members in 282 community based-organizations (CBOs) received training in community management, leadership management, conflict management and financial management. CBOs also received refresher courses and exposure visits including 562 community management skill trainings and 281 leadership management skills trainings. The ICR did not provide any targets for these outputs.
- 282 community/farmer organization groups were established and/or revitalized through the project, achieving the target of 281 community/farmer organization groups.
- 232 community/farmer groups were mobilized through the project using participatory planning and implementation for site and beneficiary selection, not achieving the target of 281 community/farmer groups.
- 240 infrastructure schemes were completed and operation & maintenance was transferred to local communities, not achieving the target of 281 infrastructure schemes.

Outcomes (the ICR did not provide any targets for these outcomes):

- Women reported a 30 percent reduction in the time devoted to fetching water from distant places.
- According to TPMV reports, solar lamps provided light for 12 to 24 hours after which they needed to be recharged. Power outages were common in all these communities, at times extending to 18 to 20 hours a day. Beneficiary households felt that lamps were very effective and beneficial for the entire family. However, 35 out of the 40 surveyed beneficiaries indicated that no information was provided to them regarding local technicians who were trained in the maintenance of solar lamps.
- According to third-party monitoring reports the social mobilization process helped community members realize and identify development interventions based on collective decision making for the whole community which in effect stimulated employment and livelihood opportunities.

Rating
Substantial

OBJECTIVE 2
Objective
To improve livelihoods in selected Agencies in Federal Administered Tribal Areas (FATA)

Rationale

Outputs:

- 45 natural resource management and livelihood sub-projects were implemented through 232 farmer/economic interest groups. The project distributed 713 backyard packages, 710 sewing machines, 1028 fuel-efficient stoves, 636 wheat seeds bags, 366 fertilizer bags, 822 urea fertilizer bags, 26,100 tree saplings, 9,460 fruit orchard plants, 184 honey boxes, 2,169 animal de-worming kits, vaccinations for 3,520 birds and 2,169 animals, 42,000 saplings for fruit plant nurseries, and 249 SHS. Also, 178 skills development trainings were provided to farmers. The ICR did not provide any targets for these outputs.
- 13 irrigation and flood protection schemes were supported through the project. According to a beneficiary assessment conducted as part of the TPMV, the construction of irrigation canals reduced water loss by 30 percent due to seepage along with a 40 percent reduction in time for irrigating fields. The ICR did not provide any target for this output.
- 43 government staff were trained, not achieving the target of 213 staff.

Outcomes:

- A third-party assessment concluded that most poultry provided to households died since birds were procured in warmer plain areas and were not able to live in the local harsh conditions. Also, there were delays in vaccinations and the beneficiaries did not receive adequate training to enable them to take care of the birds.
- Beneficiaries indicated, especially in the Mohmand Agency, that the beekeeping activities could not be sustained since the local conditions were not suitable and bee hives had to be taken to other districts/agencies with more favorable conditions. The ICR did not provide any information to which districts/agencies the bee hives were taken to.
- Sewing machines were mostly used for private activities. However, surveyed beneficiaries complained about the quality of the machines and that they did not receive any training on maintenance.
- Beneficiaries of the skill trainings provided positive feedback, however, trainees in Mohmand and Bajaur were still unemployed and were not able to find work that matched their skills.
- 3,160 households benefitted from quick win activities, not achieving the target of 5,014 households.
- According to third-party reports, 33 percent of the targeted households utilized sewing machines for their own stitching as well as for local level tailoring and in 40 percent of this cases this has resulted in improved savings.

Rating
Modest

OVERALL EFFICACY

Rationale

The achievement of improving basic services was Substantial. The achievement of the objective to improve livelihoods was Modest. No activities were implemented during the additional financing. The overall efficacy rating is Modest.

Overall Efficacy Rating	Primary Reason
Modest	Low achievement

5. Efficiency

Economic analysis:

According to the ICR (p. 17), no economic analysis was conducted during preparation since the project was an emergency operation, the lack of data and clarity about the extent and type of services and infrastructure investments that communities would support in sub-projects. The Bank conducted a preliminary economic assessment for some activities of components B and C. The Economic Rates of Return (ERR) for each of these indicative sub-projects were between 15 percent and 25 percent depending on the assumptions, above the prevailing cut-off rate of 12 percent.

The ICR conducted a cost-benefit analysis. However, due to a lack of data and quantitative evidence of impacts, the ICR used qualitative or anecdotal evidence to estimate benefits. Investments in component B generated a negative Net Present Value (NPV) (-US$10.24 million) and a negative Economic Rate of Return (ERR) (-14 percent) (-8 percent for roads rehabilitation, -16 percent for flood protection, and -8 percent for irrigation) due to high investment costs.

For maize and rice intensification sub-project, the ICR conducted an analysis based on a representative household owning one hectare of land. Both models were financially unprofitable with a negative NPV close to

zero and an ERR of -1 percent and -10 percent respectively due to short-term impacts on yields, high costs of inputs and limited market opportunities for cereals. Due to the lack of quantitative data on yields, the ICR tested the sensitivity of results to assumptions about the increase in yields achieved by households which received improved seeds and fertilizers. For increases in yields below 25 percent, the NPV was close to zero and the ERR was negative for both, maize and rice. Above an increase in yields of 25 percent, the ERR and NPV became positive, indicating that investments in improved seeds and fertilizers were only worth it if they had a strong impact on yields.

The ICR updated the analysis, which was included in the Emergency paper, for a typical poultry farm based on information available. The sensitivity analysis assumed a reduction of the production of 1 or 5 percent compared to the initial hypothesis yielded an ERR of 13 percent and 26 percent respectively, and a NPV of USD$854 and USD$181 respectively. For reductions of 10 or 20 percent, the analysis yielded an ERR of -4 percent and no ERR since the cashflows were negative. The NPV was -USD$661 and -USD$2344 respectively. This indicated that the activities under Component C were not efficient.

Operational Efficiency:

The project experienced several implementation delays due to weak capacity at the implementing agency in critical areas such as financial management, procurement, engineering, and M&E. Also, the three agencies that were selected were spread across a wide geographic region which resulted in administrative challenges. Furthermore, the project's closing date was extended four times which resulted in uncertainty about the future of project activities and ended in the stalling of activities.

Taking everything together, the project's efficiency is Negligible.

Efficiency Rating

Negligible

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		○	○ □ Not Applicable
ICR Estimate		○	○ □ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of the objective was rated High. Efficacy was rated Modest and Efficiency was rated Negligible. No activities were implemented during the Additional Financing. The overall outcome rating is Unsatisfactory.

a. **Outcome Rating**

Unsatisfactory

7. Risk to Development Outcome

Political and financial sustainability risk: The Bank team stated (September 24, 2019) that the government is committed to financially support CBOs through the Qabail Development Program envisaged under the 10-year development plan for the Merged Areas. According to the ICR (p. 30) the CBOs do not have a built-in mechanism to ensure financial viability. There is no plan for members or the government to support these group financially. Therefore, there is a potential risk that these organizations will not be sustained.

Technical risk: Also, even though the project implemented O&M measures such as the establishment of O&M committees and O&M funds, it is not clear if these committees have accumulated enough savings for conducting O&M activities. The ICR also stated that the CBOs were not sufficiently trained to operate and maintain the schemes in the long-term.

8. Assessment of Bank Performance

a. Quality-at-Entry

The ICR (p. 28) stated that the project was built on the Community Driven Development (CDD) approach, which had been adopted by similar Bank projects in the country. Also, the project design was responsive to the findings of the Post-Conflict Needs Assessment.

The Bank identified relevant risk factors. The risks included the following: weak procurement, financial management and timely decision-making capacity within the Project Management Unit (PMU); the possibility of political interference during project planning and implementation; inadequate information on baseline data including household income levels, agriculture and livestock assets; and project implementation delivered through a separate PMU which may not be sustainable. This meant there was a High risk rating given to the project. The Bank mitigation efforts were inadequate given the extent of the risks and the need to design a multi-layered response. This ultimately resulted in several implementation delays.

According to the ICR (p. 28), the project design had several shortcomings. First, the design lacked local knowledge in planning project activities which resulted in inappropriate activities not conducive to the environment such as chicken and bee keeping. Second, assumptions about market demand were not adequately identified. Third, the project did not plan for how infrastructure schemes, financed through the project, would operate once the project closed. And fourth, the project lacked clear institutional and reporting arrangements which resulted in implementation delays.

Another shortcoming was the lack of baseline and targets for the selected indicators in the Results Framework which affected the project's M&E performance throughout implementation (see section 9a for more details).

Quality-at-Entry Rating

Unsatisfactory

b. Quality of supervision

According to the Bank team (September 24, 2019), the Bank conducted regular supervision missions until December 2017. The ICR (p. 26) stated that the Bank team supported the client in financial management aspects and provided advice on how to overcome internal control weaknesses. Also, (ICR p. 25) the Bank reviewed the project's compliance with the Environmental and Social Management Plan (ESMP) during review missions. According to the ICR (p. 28) the project had four different Task Team Leaders (TTLs) throughout implementation. The Bank team stated (September 24, 2019) that the transition between TTLs was smooth.

The ICR (p. 29) stated that Bank supervision lacked the presence of technical experts to address challenges such as the sustainability of project activities after project closure due to the lack of O&M funds. Also, supervision did not follow up on the development and implementation of capacity building of the Community Based Organizations (CBOs), the government and the project implementation team. Furthermore, the Bank team addressed the lack of M&E targets only at the Mid-Term Review (March 2014) and revised the project's Results Framework by adding targets based on the implementation experience and including new indicators and removing inadequate indicators. However, according to the ICR (p. 30) the Bank did not conduct any impact evaluation or end-line survey.

The ICR (p. 29) stated that when the project received Additional Financing in March 2017, the Bank never implemented any activities due to the continuing delays resulting from the allegations of corruption by project staff and the FATA secretariat. There is insufficient information in the ICR as to what this conflict was and what the allegations of corruption entailed and what the reason behind and result of the court case were. According to the ICR (p. 29) the Bank team was not sufficiently proactive and decisive on the future of the project when it became clear that project implementation had stopped due to the corruption case.

Quality of Supervision Rating

Moderately Unsatisfactory

Overall Bank Performance Rating

Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The project's theory of change was sound, and the objectives were clearly specified. The selected indicators only measured the second aspect of the PDO "improve access to public services" and did not measure the first aspect of the PDO "improve livelihoods". Furthermore, according to the ICR (p. 23) the Multi Donor Trust Fund (MDTF) required all projects to include Fragile, Conflict, and Violence (FCV) related indicators, which this project's Results Framework did not include.

Also, all indicators lacked a baseline and targets not allowing for measuring progress of project implementation. The ICR (p. 23) stated that donors raised concerns about the project's accountability given the lack of targets.

b. M&E Implementation

The PMU at the FATA secretariat was responsible for conducting the project's M&E function by overseeing project activities and preparing quarterly progress reports. It was supported by a M&E firm. M&E officers were responsible for collecting and reporting indicators data on a regular basis and, maintaining the project's Management Information System. At the community level, the Agency Implementation Units were responsible for collecting data.

During the Mid-Term Review in March 2014, the Bank team set targets based on what the project could achieve over a one-year period before project closure and the finances that were available at that time. According to the ICR (p. 23) the MDTF conducted a review in 2015 and emphasized the importance of collecting, reporting and analyzing gender disaggregated data. However, the project did not collect any disaggregated gender data. Also, the ICR (p. 24) stated that no end-line survey or impact evaluation were conducted at project closure.

According to the ICR (p. 24) the project was unable to build a M&E system to systematically produce results to allow for an effective supervision and evaluation of outcomes. Since the project was part of the MDTF, it was also subject to third-party monitoring agents (TPMAs) which issued monitoring reports on a quarterly basis. However, according to the ICR (p. 24) their scope was limited to verification of assets and specification of infrastructure projects and did not include assessing the quality of project activities. The project's overall M&E was based on reports by M&E consultants and the PMU and was verified by the TPMA.. After May 2016, the project did not conduct any M&E activities. The Bank team also stated that it is not very likely that the project's M&E functions will be sustained after project closing since the FATA Secretariat (implementing entity) has been dissolved and it is not clear how the affairs of the merged areas will be managed.

c. M&E Utilization

According to the ICR (p. 24) the project did not have any baseline or targets until the Mid-Term Review (MTR), which compromised the use of M&E data to inform decision making. After the MTR M&E reporting consisted of MIS data, beneficiary consultations, and assessing third-party monitoring and validation reports (TPMVs) against the established targets. However, the ICR stated that the project's M&E failed to build a formal information system that could inform design focus and decision making.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as category B and triggered the Bank's OP/BP 4.01 (Environmental Assessment). The Bank prepared an Environmental and Social Screening and Assessment Framework (ESSAF), in accordance with the OP 8.0 for emergency operations and conducted an Environmental and Social Assessment (ESA). ESA found that most of the potential impacts by the project were temporary and localized with low to moderate severity and are easily reversable through adequate mitigation and control measures. An Environmental and Social Management Plan (ESMP) was also included in the ESA. Mitigation plans for each type of project activity were developed. According to the ICR (p. 25) the ESMP included adequate mitigation measures for identified potential impacts. The project hired an Environmental and Social (E&S) Specialist at the PMU who worked with E&S focal persons in the field. The E&S staff was responsible for complying with the ESMP requirement such as filling checklists, preparing mitigation plans at design stage and reporting implementation progress periodically. The ICR (p. 25) stated that the actual implementation of these mitigation plans at some sites, especially for drainage projects, was modest. Also, third party validation identified some gaps in compliance for isolated sites. According to the ICR (p. 25), the Bank reviewed the project's compliance during progress review missions. The ICR (p. 25) stated that environmental safeguard compliance was rated Moderately Satisfactory throughout project implementation and was downgraded to Unsatisfactory at project closure.

b. Fiduciary Compliance

Financial Management:

According to the ICR (p. 26) regular internal and external audits, and third-party monitoring were conducted. No serious accountability issues or major internal control weaknesses were highlighted in the audit reports and third-party reports. Interim Financial Reports (IFRs) were submitted to the Bank on a timely basis. However, the project faced several financial management related challenges. The ICR (p. 26) stated that during the initial implementation phase the Financial Management Specialist frequently changed. Also, the legal covenant related to National Financial Management Information System implementation remained overdue for more than eight months. Additional shortcomings included minor exceptions to internal controls such as weak asset management, deviations from Financial Management Standard of Procedures on Community Contracting and delays in payment. According to the ICR (p. 26) the Bank supported the project's financial management by providing the communities with regular trainings and refresher courses on funds management and control.

According to the ICR (p. 26) at the end of project implementation Financial Management was rated Unsatisfactory due to the internal management conflict between the PMU and the previous FATA Secretariat. Project incremental staff and consultants were terminated in December 2016 while discussions about Additional Financing were still conducted. The staff appealed to the Peshawar High Court against the termination and received interim relief to continue to work until September 2017. When the Additional Financing became effective in June 2017, the project had utilized all of the original grant resulting in liabilities adding up. Also, it took over a year to open a Designated Account for Additional Financing due to uncertainty the uncertainty of extending the contracts of project staff. In June 2017, the project disbursed long outstanding salaries of project staff up to March 2017. The ICR (p. 27) stated that only when the ICR was written, the FATA secretariat assigned the additional charge of project director to the deputy director projects who will responsible for clearing all pending liabilities.

Procurement:

The PMU in the FATA secretariat was responsible for the project's procurement function. According to the ICR (p. 27), the project's designed internal control framework was comprehensive and robust. The project prepared simplified procurement procedures during project preparation. The ICR (p. 27) stated that the project faced some implementation issues in the community contracts such as contracts awarded to firms without a professional registration, scheme was approved without contract signing, and payments were made against milestone without certification of works done by the consulting firms. The PMU addressed these issues by providing additional information such as: i) certification from the Bank showing that the cheques were uncashed in the presence of the co-signatories and the respective/pay contractor; and ii) certifications by consulting form on quantity and quality of work conducted. Procurement was rated Moderately Satisfactory during most of project implementation and was downgraded to Unsatisfactory at project closure.

c. Unintended impacts (Positive or Negative)

NA

d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Unsatisfactory	Unsatisfactory	
Bank Performance	Moderately Unsatisfactory	Unsatisfactory	Inadequate risk mitigation efforts, several project design and Results Framework shortcomings.
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR (p. 30-32) included several useful lessons learned which were adapted by IEG:

- **The sustainability of project activities is a critical aspect when designing a project, especially in areas of fragility, conflict and violence (FCV) since any marginal gain made has a positive impact on beneficiaries when it is maintained in the long-run**. This project was not designed to ensure the financial sustainability of O&M activities and functional O&M committees resulting in uncertainty regarding future funding.
- **Thorough assessments during project preparation are essential even in an emergency operation to ensure successful outcomes**. In this project, livelihood activities were designed under the assumption that there was a demand for them. However, the Bank team did not take into account the agronomical conditions for the poultry and bees to survive and limited the activities to agriculture and livestock when only 7.2 percent of the land in FATA was cultivable and over 80 percent of the FATA population were employed outside FATA. Also, the distribution of swing machines had a negative impact on women who already worked in this area before project implementation started since it saturated the market. Finally, the skill trainings for youth was not market-driven and therefore did not support them in finding a job.
- **Defining the capacity of local institutions and quality of governance environments and plan project activities accordingly can have positive impacts on FCV projects.** In this project, no activities were implemented under the Additional Financing due to the corruption court case between the project staff and the FATA secretariat and the merge between FATA and the province of Khyber Pakhtunkhwa.
- **Developing a functional M&E system that includes fragility, conflict and violence specific indicators is critical for a successful project implementation**. In this project, the lack of a M&E data did not allow for the identification of implementation bottlenecks and modify project implementation accordingly. Also, the lack of fragility, conflict and violence specific indicators undermined the assessment and the opportunity to learn from this project.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided a good overview of project preparation and implementation. Notably, the ICR included an economic analysis even with the limited data available, which was sufficiently candid, concise, and internally consistent. The ICR also provided additional data outside the project's Results Framework in an effort to better illustrate the impact of the project. While this evidence lacked baselines/targets, it was useful given the limitations of the results framework. The lessons learned are useful for future engagement. It would have been useful if the ICR provided more information on why safeguard compliance, Financial Management and Procurement were rated Unsatisfactory at project closure.

a. Quality of ICR Rating

Substantial