

Third Technical Assistance

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The Pakistan Third Technical Assistance Project, supported by Credit 1755-PAK for SDR 5.9 million, was approved in FY87. The credit was closed in FY94 three years late, and SDR 1.5 million was canceled. The Implementation Completion Report (ICR) was prepared by the South Asia Regional Office with Part II contributed by the borrower.

Coming immediately after the previous two technical assistance projects, Credits 1256-PAK and 1480-PAK approved in FY82 and FY84, respectively, this project was designed to further support and deepen the implementation of the Government's structural adjustment and macroeconomic policy reform program. An important implied objective of the project was to enhance the Government's overall institutional capacity.

The project had three basic components: (i) studies for the preparation of the Government's next Five-Year Plan; (ii) studies and specialized technical consultancies in the fields of industry, agriculture, energy, transport and the social sectors, to assist the preparation of sector policy reform programs; and (iii) build-up of institutional capacity in certain national institutions by providing training, equipment and other technical support.

The project achieved most of its objectives regarding macroeconomic and sectoral policies, albeit, with considerable delay. In addition to fourteen studies which provided input into the Government's macroeconomic and sectoral policies, the project financed many consultancies on issues of significant policy importance. Moreover, four sub-projects—support for an Agricultural Price Commission; support for the Auditor General's Office; computerization of the Corporate Law Authority; and computerization and office automation of the Planning Division—substantially strengthened those agencies through training, provision of modern equipment and other human resource development activities.

Although the project did not experience major problems in implementation, the excessive delays were caused by cumbersome administrative and approval procedures for the sub-projects. These procedures involved a multi-stage review and screening process for the application and the Terms of Reference for each study or sub-project. These screened sub-projects still needed the approval of the Bank because of the Bank's keen interest in ensuring their usefulness and relevance to the policy reform program. These problems were compounded by the inadequate staffing of the Technical Assistance Project Cell (TAPC) established in the Ministry of Planning and Development to administer the project.

The ICR rates project outcome as satisfactory, sustainability as likely, institutional development impact as modest and Bank performance as satisfactory. OED agrees with these ratings.

An important lesson of this project is that technical assistance projects should be designed with an appropriately simple implementation procedure. Accordingly, the Bank may wish to limit its approval procedure to sub-projects that exceed a certain threshold cost. It might also be advisable to separate technical assistance in support of macroeconomic reform from that with a sectoral focus, incorporating the latter into sectoral projects.

The ICR is of satisfactory quality, though it does not contain an Aide-Memoire. No audit is planned.