

PD-AAT-997

46406

**Interim Evaluation
of the Tribal
Areas Development
Project,
Pakistan**

Prepared for the U.S. Agency for International Development
under contract number PDC-1096-I-06-4159-00

Donald R. Mickelwait
Robert LaPorte, Jr.
Louis M. Eldredge

May 1986



Development Alternatives, Inc. 624 Ninth Street, N.W. Washington, D.C. 20001

BASIC PROJECT IDENTIFICATION DATA

1. Country: Pakistan
2. Project Title: Tribal Areas Development Project
3. Project Number: 391-0471 - Grant
4. Project Dates:
 - a. First Project Agreement: September 25, 1982
 - b. Final Obligation: FY 1987
 - c. Project Assistance Completion Date (PACD): March 31, 1988
5. Project Funding:
 - a. A.I.D. Bilateral Funding (Grant and/or Loan): \$24 million - Grant
 - b. Other Major Donors: None
 - c. Host Country Counterpart Funds: None

Total: \$24 millic.
6. Mode of Implementation: PASA Contract with the U.S. Department of Agriculture
No. IPK-0471-P-AG-3156-00
7. Project Design: AID/W, USDA, TransCentury Corp., Louis Berger International Inc.
Harvard University, USAID/Islamabad and Government of Pakistan
8. Responsible Mission Officials: (For the full life of the project.)
 - a. Mission Director(s): (1) Donor M. Lion, (2) Eugene S. Staples
 - b. Project Officer(s) : (1) Richard B. Scott, (2) Fred Zumwalt
9. Previous Evaluations(s): None
10. Cost of Present Evaluation:

	<u>Person Days</u>	<u>Dollar Costs</u>
a. Direct Hire:		
(1) AID/W TDY:	-	-
(2) USAID Staff	40	2,500
b. Contract: DAI	99	69,491
c. Other	-	-

PREFACE

In spring 1985 Development Alternatives, Inc. (DAI) was asked by the U.S. Agency for International Development to provide a three-person team to evaluate the Tribal Areas Development Project (TADP) in Pakistan. Approved for the team were Donald R. Mickelwait, Dr. Robert LaPorte, Jr., and Louis Eldredge, all with experience in similar assignments in Pakistan. Since this interim evaluation was to provide the USAID Mission with recommendations on how to improve performance in a troubled project, the background of the team was important. Briefly, their qualifications were:

Donald R. Mickelwait, Team Leader, President of DAI; team leader for three prior assignments for USAID/Pakistan, totaling eight months, that focused on tribal areas within North West Frontier Province, including the identification and then design of the North West Frontier Area Development Project; and the designer of the Special Development Plan for Opium Producing Areas, for the Government of Pakistan;

Dr. Robert Laporte, Jr., Institutional Specialist, Director of the Institute for Public Administration at Pennsylvania State University; resident scholar in Lahore (1979); specialist on current Pakistani government changes; team member on two assignments for USAID/Pakistan, including a study that led to the report "Analysis of Management Constraints to Program Implementation," and the design team for the Baluchistan Area Development Project, along with a dozen field visits for the Department of State, Pakistan Institute of International Development, and the World Bank; and

Louis M. Eldredge, Engineer, recently retired after 18 years of service with AID; previously chief of engineering and assistant director for REDSO/West, and chief engineer for USAID/Pakistan (1976-1981); in Pakistan, responsible for the inspection and acceptance of Fixed Amount Reimbursement (FAR) construction projects in conjunction with a \$27 million flood rehabilitation project.

The team received initial briefings from AID/Washington, and assembled in Pakistan in early October 1985. Following discussions in Islamabad and Peshawar and visits to field sites, the team presented a Discussion Paper (Annex I) to the Mission in Islamabad. This paper laid out the perspectives as they appeared to the evaluation team, and sought guidance on the directions in which modifications in the project might be found useful. At issue was not the current status of the project -- no one found current progress acceptable -- but the directions in which the project might move. Based upon those discussions, the team returned to Peshawar and continued field investigations and discussions with concerned government agencies.

Although much of the project's economic justification centered on the benefits of irrigation from the Bara subproject, the team was unable to visit Bara during our stay because of local unrest. This lack of access to a critical component of TADP paralleled problems sustained by the project throughout its history. Bara presented a microcosm of the issues of the project as a whole, and the details we obtained from the field and in interviews on the demise of this major effort have been presented in some depth in the draft and final report.

The draft report was provided to the Mission on November 16, 1985, and a debriefing held on November 17. Unfortunately, schedules allowed only Donald R. Mickelwait from the evaluation team to participate. A meeting of the minds did not occur at the debriefing. Although the evaluation team's discussions with the operating staff from the Regional Affairs Office in Peshawar seemed to go well, the draft report was read by some in Islamabad to be an attack on the methods used and standards set by the Engineering Office, reflecting an incomplete understanding of the legal requirements of FAR agreements and the leakage that often occurs in construction projects. The exchange of letters on the evaluation, the first from the Mission (Annex II) and the second to the Mission (Annex III), details the differences in perspective.

The evaluation team wrote the draft report in concert, with agreement on the tone and recommendations. As the contract expired before the revisions could be completed, they and Annex III are the sole responsibility of Donald Mickelwait. There are few substantial changes between the draft and the final report. Our view is a snapshot of the project between early October and mid-November 1985. No new information other than informal reports of progress within the project has been received since that time. We consider our value to have been in focusing Mission attention on a problem that needed fixing, sparking discussion and debate on the alternative solutions, and making explicit what had been implicit assumptions concerning the project. There is a real opportunity for TADP to make a continuing contribution to development in the Federally Administered Tribal Areas of Pakistan. This evaluation is one small step along the difficult road to make that potential happen.

Donald R. Mickelwait
Washington, D.C.
May 27, 1986

TABLE OF CONTENTS

	<u>Page</u>
BASIC PROJECT IDENTIFICATION SHEET.	i
PREFACE	iii
EXECUTIVE SUMMARY	vii
CONCLUSIONS AND RECOMMENDATIONS	xii

SECTION A

THE CONTEXT FOR THE EVALUATION	1
HINDSIGHT AND HISTORY IN THE EVALUATION PROCESS	3
THE HISTORICAL SETTING OF THE PROJECT	5
THE ORIGINAL PROJECT IMPLEMENTATION CONCEPT	6
THE SECOND STAGE MODIFICATIONS	6
THE THIRD STAGE REFOCUSING.	8
MANAGEMENT AND COORDINATION OF TADP WITHIN THE GOVERNMENT OF PAKISTAN	9
ENLARGING THE SCOPE OF THE TRIBAL AREAS DEVELOPMENT PROJECT	11
REFOCUSING TECHNICAL ASSISTANCE	13

SECTION B

SPECIFIC ANSWERS TO THE QUESTIONS RAISED IN THE EVALUATION SCOPE OF WORK.	15
SCOPE OF WORK - QUESTIONS ONE AND EIGHT	15
Case Study: Bara Irrigation Scheme	19
Case Study: Marghan Irrigation Scheme	31
Case Study: Go Go Wam Irrigation Scheme.	35
Case Study: Ground Water/Hyrdology	39
Case Study: Agricultural Demonstration Plot in Support of the Bara Irrigation Schemes	47
Case Study: Sadda-Marghan Road	51
Case Study: Road Machinery Procurement	57
Case Study: Additional Roads	61
Case Study: Rural Development Schemes.	67
Case Study: The Reserach and Evaluation Unit of TADP	73

SCOPE OF WORK - QUESTION TWO.	75
SCOPE OF WORK - QUESTION THREE.	79
SCOPE OF WORK - QUESTION FIVE	87
SCOPE OF WORK - QUESTION SIX.	91
SCOPE OF WORK - QUESTION SEVEN.	93
SCOPE OF WORK - QUESTION NINE	95
SCOPE OF WORK - QUESTION TEN.	97
SCOPE OF WORK - QUESTION ELEVEN	101

ANNEX I: EVALUATION DISCUSSION PAPER	I-1
--	-----

ANNEX II: COMMENTS FROM MISSION ON DRAFT REPORT.	II-1
--	------

ANNEX III: REPLY FROM EVALUATION TEAM LEADER TO MISSION CONCERNING DRAFT REPORT COMMENTS.	III-1
--	-------

ANNEX IV: ABBREVIATIONS.	IV-1
----------------------------------	------

EXECUTIVE SUMMARY

PURPOSE OF THE TRIBAL AREAS DEVELOPMENT PROJECT

As stated in the U.S. Agency for International Development Project Paper (#391-0471), September 1982,

[The Tribal Areas Development Project (TADP)] is intended to accelerate the efforts of the Cooperating Country to integrate the Tribal Areas into the socio-economic mainstream of Pakistan and to improve the quality of life for tribal inhabitants. The purpose of the Project is to strengthen the capacity of government institutions and to construct basic infrastructure (roads and irrigation works) to support the continued development of the region. (p.1)

The tribal areas of Pakistan, for which this project was designed, are known as the Federally Administered Tribal Areas (FATA) and are composed of seven tribal agencies and four frontier regions. With one exception (Orakzai), all seven agencies border on Afghanistan and have been impacted by the flood of Afghan refugees over the past seven years. Political agents are responsible for the seven tribal agencies. The four frontier regions do not border Afghanistan and are administered by the Deputy Commissioners of D.I. Khan, Kohat, Bannu, and Peshawar, respectively.

USAID is the first major donor to provide development assistance to the FATA. As a result, USAID has had to learn how to do development work in this extremely difficult area. The constraints of working in FATA include: encouraging the tribals to permit development work to be carried out (socio-cultural and political access); working with implementing agencies (the Federally Administered Tribal Areas Development Corporation [FATA DC], the Communication and Works [C&W] Department of the North West Frontier Province [NWFP], and the Local Government and Rural Development Department of NWFP) that lack trained personnel and required equipment; working through a third party (the political agents/deputy commissioners) instead of directly with the beneficiaries (the tribals) when local disputes threaten to disrupt implementation of subprojects; and trying to adapt USAID procedures and practices that were designed for areas where the other constraints are absent.

TADP has the opportunity to assist in the development of an area of the world that has been relatively untouched for centuries. The tribals abide by a law of their own. They have resisted the advances of other cultures, from the Greeks (under Alexander the Great) to the British. Only in the last three

decades has the geographically inaccessible area of the tribal areas been reduced from 90 percent to 30 percent. If USAID is successful in TADP, it will be a "first of its kind."

The problem, then, is how to overcome the constraints of working in FATA while respecting the centuries-old tribal culture and established political autonomy. The solution is a series of changes in USAID's approach to and operation of TADP. These changes must be made if the goal and purposes of TADP as stated in its Project Paper are to be achieved.

PURPOSE OF THE EVALUATION AND METHODOLOGY USED

The interim evaluation was undertaken because the project was encountering problems and was substantially behind schedule. The evaluators' Scope of Work stated that:

The project is behind schedule and is experiencing a number of difficulties and delays which the Mission is attempting to resolve. Construction has been slow; only one road and five watercourses are being built thus far.

The evaluation team used several types and sources of evidence to assess effectiveness and impact. These included interviews with USAID personnel in Washington, D.C., and Islamabad, and with government officials in Peshawar, D.I.Khan, Tonk, Wana, Khar, Parachinar, and Sadda. The team made three extended field visits to ongoing as well as potential subprojects, examined TADP files, and returned to interview again officials of the NWFP government.

The evaluation team measured changes in the subprojects initiated. However, since there was little progress on the construction schemes that have been undertaken (one was terminated -- see the Bara case study), this did not take much time. The team focused on the reasons for the delays in design, approval, and implementation and what must be done to eliminate them in future subprojects. Consequently, information was gathered not only about the subprojects themselves, but also about the institutional arrangements for subproject design and implementation (that is, USAID relations with implementing agencies, political authorities, etc.) as well as the instrument for reimbursement (Fixed Amount Reimbursement [FAR]) and its flexibility given the difficult development tasks confronting this project. The team also evaluated relations between USAID field (Peshawar) and headquarters (Islamabad), the effectiveness of the PASA/Soil Conservation Services (SCS) technical assistance team, and how these may be improved to avoid the mistakes of the past.

FINDINGS AND CONCLUSIONS

The team's findings can be summarized as follows:

- TADP has been ineffective in achieving its goal and purposes.
- TADP has not accommodated to the special requirements of development in tribal areas.
- TADP has not systematically planned for subproject activities.
- TADP has not transferred technology to the implementing agencies through technical assistance activities.
- The Project Agreement requiring a PC-1 for each expenditure reduces the flexibility of AID to contract directly for commodities and services.
- Mission management and procedures for TADP have constrained its ability to pursue the project goal and purposes rapidly.
- The construction portion of TADP has dominated the resources of the project to the detriment of its other purposes.
- TADP constraints are subject to USAID and Government of Pakistan resolution, which suggests that the project can be refocused and successfully implemented.

These findings and conclusions relate directly to the questions contained in the Scope of Work. The assumptions about the project that proved invalid to date were: (a) that sufficient flexibility in working in the tribal areas could be achieved through the FAR system used to finance infrastructure projects; (b) the three PASA/SCS team members could accomplish their Scope of Work by applying their technical expertise without having experience in working in very difficult overseas environments; and (c) USAID could maintain the relationships required to achieve project effectiveness without the project having a home within the Government of Pakistan or without having a government policy committee that could muster the political commitment required to work in the tribal areas. Although these assumptions were not detailed in the Project Paper, they are indirectly referenced in this document and they surfaced during project implementation.

There has been no systematic evaluation of TADP since it was initiated in September 1982.

RECOMMENDATIONS

The team's recommendations are summarized as follows:

- In the absence of a major refocusing of the project, the funds remaining in TADP should be deobligated.
 - If USAID elects to reshape this project, which the evaluation team recommends, the following must be done:
 - Integrate the project into the Planning and Development (P&D) Department, NWFP through two linkages -- a Special Development Unit (SDU), which would handle daily execution of project activities, and a Project Coordination and Review Board (PCRB), which serves as a commitment generator, policy decision maker, and implementation bottleneck breaker;
 - Establish and support a revised Research and Evaluation Unit situated in the SDU to provide systematic planning and analysis for TADP, and technical assistance to upgrade P&D planning and coordination capacity;
 - Upgrade implementing agency capacity by technology transfer based on collaborative modes of technical assistance and training support (this applies to FATA DC);
 - Use Pakistani architecture and engineering (A&E) firms to assist in design upgrading, training programs, and field practicums (this applies to the C&W Department, NWFP);
 - Either design multiple umbrella subproject components that cover small development schemes, area development initiatives, staffing for the SDU, and support for P&D operations, FATA DC, and C&W, each limited to Rs. 30 million (the limit for NWFP signoffs)
- or
- Place all project activities under one new overarching Government of Pakistan (GOP) funding document (PC-1) for submission to the federal-level review committee for large development projects (ECNEC), while revising the Project Agreement to increase implementation flexibility;

- Extend the Project Assistance Completion Date (PACD) for three additional years;
- Decentralize authority (to match responsibility) from Islamabad to Peshawar (and the office of the Regional Affairs Officer (RAO)/Peshawar) -- this would avoid delays that the evaluation team discovered in its investigation; and
- Consider the prospects for supporting forestry and agriculture and other non-infrastructure development activities in selected agencies in the tribal areas.

LESSONS TO BE LEARNED

A passage in the evaluation team's Statement of Work is important to remember in reviewing this evaluation report: "Keep . . . in mind the experimental nature of this project." TADP is not just another infrastructure development project with a technical assistance component built in it. To be successful, the project must know in precise detail the special territory in which AID has ventured and have the flexibility to respond to situations that develop. These fundamental lessons are yet to be learned from this experiment.

EXTERNAL VALIDITY

Our findings and conclusions have validity for other projects that are based in the tribal areas and perhaps for those in the Province of Baluchistan. Baluch are not Pathans, but they do share some common traditions and attitudes toward development.

BROAD ACTION IMPLICATIONS

No suggestions are offered along these lines.

CONCLUSIONS AND RECOMMENDATIONS

Issue I: TADP Effectiveness in Achieving the Project's Goal and Purposes

In the three years since the Project Agreement was signed through mid-November 1985, eight subproject components have been initiated. Four are canceled or moribund for future USAID involvement as originally designed and executed (Bara Irrigation, Agricultural Demonstration Plots, Rural Development Schemes, and the Research and Evaluation Unit), three have serious internal difficulties (Sadda-Marghan road, Marghan Irrigation, and Go Go Wam Irrigation), and one (Bartras Plain Tubewells) has yet to begin. The total cost of all components if earmarked funds were released would be approximately \$2 million.

Conclusion

The project has not been successful to date and will not achieve its stated goal or purposes under existing operating procedures. The selection of original project components was not based upon effective demand from tribal groups, committed leadership from political authorities, a sound analysis of the difficulties of implementation, or a willingness on the part of USAID to adjust its procedures when trouble erupted.

Recommendation

In the absence of a major refocusing of the project, the evaluation team unanimously recommends that the funds remaining in TADP be deobligated. If USAID elects to continue this project, there are two main options. First, select large subprojects in which tribal disruptions evidenced in the first three years are unlikely to be repeated. This would limit USAID's participation to major highways and bridges in areas clearly under GOP control. The evaluation team does not recommend this option, believing that far more can be gained by the next alternative.

Second, take the actions noted below to provide flexibility in subproject identification and implementation that responds to the potentially disruptive nature of development initiatives in tribal areas. This course of action is the evaluation team's considered recommendation.

Issue II: Modification of TADP to Accommodate the Special Requirements of Development in Tribal Areas

Conclusion

It is feasible to refocus TADP quickly and with cooperation from NWFP agencies and FATA DC. USAID should integrate TADP into GOP institutions, establish political commitment to subproject components, complete planning for subproject identification and implementation, and provide technical support to implementing agencies.

Recommendation

- Integrating into the GOP: USAID should integrate TADP into the P&D Department, NWFP, through two linkages: an SDU, which handles daily execution of project activities, and a Project Coordination and Review Board (PCRB), which serves as a commitment generator, policy decision maker, and implementation bottleneck breaker. This recommendation is welcomed by the NWFP, and addressed in more detail in Sections A and B of this report.
- Acquiring Political Commitment within Tribal Agencies: TADP, through the SDU and PCRB, must acquire the active participation of the political agents for each agency in which subprojects will take place. This is to ensure that subprojects identified will be in areas less likely to dissolve into chaos when construction begins, and to obtain a political commitment to use the full powers of the political agent's office to bring them to successful conclusion.
- Supporting Systematic Planning: TADP should undertake systematic planning for subproject activities by establishing and supporting a revised Research and Evaluation Unit working directly in the P&D Department, as one component of the SDU. This unit should respond to TADP/P&D planning requirements and collect information on broad categories of existing human, natural, and developed resources of each tribal agency likely to have subprojects; it should then carry out detailed analyses of likely implementation difficulties, serving as early warning of TADP/GOP actions to be required. This unit should be staffed with an expatriate planner/developer, senior Pakistanis, and computer technology, to assist the P&D Department with its information management and planning responsibilities. Further details on the proposed revision are included in Sections A and B.

- Transferring Technology: In addition to the inspection for standards required in infrastructure subprojects, TADP should deliberately attempt to upgrade implementing agency capacity by technology transfer based on collaborative modes of technical assistance. For FATA DC, this can best be done by the placement in its offices of one expatriate water engineer, with formal and informal training responsibilities; computer technology; and funding that allows introducing FATA DC engineers to new concepts of irrigation system design and construction management. This training should extend from the headquarters staff to the sub-engineers who oversee construction in the field. This action would be welcomed by FATA DC leadership.

For the C&W Department, the use of Pakistani A&E firms to assist in design upgrading, training programs, and field practicums is recommended, if this will be acceptable to the department's leadership. There is broad scope for providing manuals for standard construction, completing training of assistant and sub-engineers in construction inspection procedures, providing standardized containers for cement mixtures of predetermined strength ratios, ensuring that equipment important to sound construction -- rollers, cement mixers, and concrete vibrators -- is maintained and available, with trained operators.

Issue III: TADP has no umbrella document that allows funds to be shifted as circumstances change, or in response to immediate requirements. Further, the Project Agreement was written to require a PC-1 prior to each expenditure of USAID funds, significantly reducing the flexibility of AID to contract directly for commodities and services.

Conclusion

The absence of an umbrella funding document for TADP accentuates the failings of FAR and host country contracting mechanisms by allowing little flexibility in responding to changing project needs. The requirement for PC-1 approval prior to expending USAID funds caused delay and complications in justifying two SCS technicians in the Bara PC-1. Technical assistance was evaluated by ECNEC as excessive, with a call for reduced technical assistance, delaying approval of the PC-1 for three months.

Recommendation

There are two options for providing flexibility. One is to generate one new project design with one attendant PC-1 covering all project activities, submitted for ECNEC approval. The second option is to design an umbrella subproject component that covers small development schemes, area development initiatives, modest forestry and agriculture support, staffing for the SDU, and support for P&D operations, limited to Rs. 30 million (the maximum allowable for approval at the provincial level). In the latter instance, TADP should also design an umbrella assistance subproject for FATA DC, and a second for C&W, incorporating training, technical assistance, materials, equipment, A&E contracts, etc. -- those technical training and capacity-building activities in support of TADP's two major implementing agencies. These designs should be jointly developed into TADP subproject components and PC-1s, with maximum levels not to exceed those that can be approved by P&D, NWFP, or FATA DC levels. Funding under these components could be through advances from USAID to the GOP, spent under the policy decision-making authority of the PCRB, and administered by the SDU within P&D, using FAR and host country contracting mechanisms as appropriate. This system has been made to work for North West Frontier Area Development Project; it can also be used to provide flexibility to TADP.

The Project Agreement should be amended to eliminate the clause that calls for PC-1 approval prior to expenditures of USAID funds. Then direct AID procurements could be approved by signoff from the appropriate authorized representative of the GOP, on PIO/C, PIO/T, and PIO/P authorizations before formal submission and clearance of a PC-1. The PACD should be extended three years.

Issue IV: Mission Management and Procedures for TADP

Conclusion

Significant confusion has surrounded the two different offices (RAO/Peshawar and Office of Engineering, Islamabad) involved in the generation and approval of designs and inspections for TADP reimbursement approval. This confusion has translated into delays, understandable professional differences, and the potential for varying signals to be provided to the implementing agencies from USAID. In addition, the long chain of paperwork, which calls for a reimbursement agreement to be drafted, cleared by many

offices, revised many times before final signature by the Director and submission to EAD, has been a major factor in the delay of bringing subprojects to implementation.

Recommendation

TADP should be supported, in its engineering requirements, from Peshawar, through an office that falls under the direction of the RAO/Peshawar. This recommendation was made in writing to the Director by the Office of Engineering in Islamabad many months before the evaluation team arrived. The Peshawar office should have the authority to approve TADP designs and completed construction under either FAR or host country contracting arrangements. Recent developments in staff assignments within the Mission since the evaluation team arrived suggest that this revision has come to pass. This recommendation is project specific. It does not foresee a change in the Mission-wide responsibilities of the Office of Engineering in Islamabad, which is charged by the Director with ensuring that all USAID infrastructure projects are acceptably designed and implemented.

USAID should allow maximum flexibility in the procedures used to submit and sign reimbursement agreements or other contracting mechanisms for TADP subprojects. It is not clear to the evaluation team, given the size and importance of the Mission's portfolio, that the Director needs to review and sign individual reimbursement agreements for schemes under \$200,000. If delegation of this responsibility is legally possible, the team recommends this action to streamline the time from engineering agreement to completed contracting document, and the beginning of work.

Issue V: Infrastructure has been the sole concern of TADP to date, with many difficulties attendant with meeting USAID engineering standards.

Conclusion

Other opportunities exist within the tribal areas that could be implemented through existing line agencies; managed by the SDU, given commitment and direction by the PCR, through the P&D Department; and contribute to the purposes and goal of the project.

Recommendation

TADP and P&D should seriously consider the prospects for supporting forestry, agriculture, and other non-infrastructure area development activities in selected agencies in the tribal areas. These activities could be funded under one umbrella TADP PC-1 as are similar initiatives under other mission-supported projects.

SECTION A

THE CONTEXT FOR THE EVALUATION

SECTION A

THE CONTEXT FOR THE EVALUATION

HINDSIGHT AND HISTORY IN THE EVALUATION PROCESS

This interim evaluation of the Tribal Areas Development Project (TADP) was conducted three years after its initiation, four years after project design began. It would be highly unusual if, during this period, major changes in understanding of the environment in which the project operates had not occurred. The TADP Components Chart, presented on the following page, gives a quick insight into the project's lack of progress and failed activities. At this rate of earmarking, TADP would require another 10 years to commit funds allocated for subprojects. But more than delays, there are fundamental difficulties in TADP that need to be addressed.

The evaluation team brings experience in Pakistan and elsewhere as its principal strength to review progress to date in TADP and to recommend modifications for the next phase of project activities. After TADP planning was completed, and during the throes of initial implementation, the U.S. Agency for International Development in Pakistan designed what became the North West Frontier Area Development Project (NWFADP), which drew on the lessons that already had been learned. The Baluchistan Area Development Project carried further the understanding of how to organize, direct, and support a multi-department or agency project. In its suggestions for a redefinition of a project attempting to work in a complex and difficult environment through multiple agencies, the evaluation team has drawn upon what its members, collectively, have learned since TADP was begun. The explanation of the need for modification in project focus and operations is not a reflection on the original designers and implementers, but an acceptance of the need to review and modify to improve results. If this evaluation has a purpose, it is to encourage today's implementers to view the prospects of the project in light of its accomplishments and failings. The evaluation team has actively employed hindsight to forecast the next set of directions for TADP.

**TRIBAL AREAS DEVELOPMENT PROJECT
COMPONENTS CHART**

COMPONENTS	BARA IRRIGATION	MARGHAN IRRIGATION	GO GO WAM IRRIGATION	BARTRAS PLAIN TUBEWELLS	SADDA MARGHAN ROAD	RURAL DEVEL. SCHEMES (16)	AGRICULTURE DEMONSTRATION PLOTS (BARA)	RESEARCH & DEVELOPMENT UNIT
COMPONENT COST	\$ 199,610	\$ 166,905	\$ 191,295	\$ 292,640	\$ 1,020,692	\$ 146,894	\$ 77,230	
TADP ENTERS DESIGN	FEB 83	MAR 83	MAR 84	NOV 83	MAR 83	JAN 83		
USAID AGREES ON DESIGN, PLANNING, COSTS	JAN 84	JUN 84	OCT 84	MAY 85	STILL UNDER REVISION	APR 84		
PC-1 APPROVAL NOTIFICATION SENT TO USAID	PROVISIONAL DEC 83 FINAL APR 84 ECNEC	NOV 83	NOV 84	DEC 84	MAY 83	FEB 83		
REIMBURSEMENT AGREEMENT SIGNED	MAY 84	AUG 84	NOV 84	SEPT 85	JUN 83	JUL 84		
WORK STARTS	AUG 84	OCT 84	DEC 84	DEC 85	JUN 83 (ON GOING WHEN TADP ENTERED)	APR 85		
LAPSED TIME FROM DESIGN INITIATION TO BEGINING CONSTRUCTION	19 MONTHS	21 MONTHS	9 MONTHS	25 MONTHS	6 MONTHS	24 MONTHS		
ESTIMATED COMPLETION DATE	DEC 85	JUN 86	DEC 86	AUG 86	MAY 86 (HIGHLY SPECULATIVE)	PERHAPS NEVER COMPLETED	TERMINATED	TERMINATED AS ORIGINALLY CONSTITUTED
CURRENT STATUS	ALL FUTURE WORK TERMIN- ATED. FIVE WATERCOURSES COMPLETED, 2 REIMBURSED	STALLED ON WATER RIGHTS ISSUES	DELAYS DUE TO USAID REJECTION OF CONSTRUCTION	ABOUT TO BEGIN DRILLING	HEAVY PRESSURE TO COMPLETE ROAD, MANY DISTURBAN- CES	NO RESOLUTION TO LACK OF ACCEPTABLE FAR CONSTRU- TION, ALL WORK HALTED	TO BE RECONSIDERED FOR BAJAUR AND OTHER AGENCIES THROUGH FATA AGRI- CULTURE	TO BE RE-CONSTITUTED WITHIN F&D

THE HISTORICAL SETTING OF THE PROJECT

The following milestones have occurred in TADP. The chronology places this evaluation report in a historical context:

Fall 1981

AID established a \$1.6 billion aid package for Pakistan. This follows a more than two-year hiatus in AID activity that resulted from the suspension of AID in April 1979.

Fall 1981

USAID makes a commitment to provide assistance to the more backward areas of Pakistan (North West Frontier Province [NWFP] and Baluchistan) and indicates that special development projects will be developed in these areas. TADP is one of the special projects.

October-November 1981

USAID begins to think through the kind of project paper that is desired for TADP.

February 1982

Project Paper team is assembled. Both Technical and Social Soundness Analysis begin.

August 1982

Project Paper is completed and signed by USAID Director.

September 1982

Job descriptions for PASA/SCS technical assistance team are forwarded to Washington.

May 1983

Scope of Work is developed for PASA/SCS team.

June 1983

Work begins on Sadda-Marghan Road (Kurram Agency).

October 1983

PASA/SCS team arrives in Pakistan. Team composed of an irrigation engineer, an agronomist, and a geologist.

August 1984

Work begins on Bara Irrigation Scheme (Kyber Agency).

October 1984

Work begins on Marghan Irrigation Scheme (Kurram Agency).

December 1984

Work begins on Go Go Wam Irrigation Scheme (Frontier Region, D.I.Khan).

April 1985

USAID Director decides to terminate the Bara Scheme as a result of a series of problems, including destruction of watercourses by tribesmen.

November 1985

Interim Evaluation of TADP completed.

December 1985

Bartras Plain Tubewells Scheme initiated (Bajaur Agency).

THE ORIGINAL PROJECT IMPLEMENTATION CONCEPT

During the first few years, TADP attempted to fund subprojects that were geographically contiguous. Thus, the Sadda-Marghan road ends at the Marghan Irrigation Scheme, 12 schools are under construction at Bara to complement what had been programmed to be 160 improved watercourses, and three roads near Wana are proposed for South Waziristan. This was an important consideration in early project selection, and one reason why the major-highway-and-bridge solution was not considered -- it did not fit the objectives and operating requirements of an area development project.

The project selected hard targets. Bara providing the economic justification; smaller irrigation schemes, the feeder roads; and schools offering the potential to create change in more remote, backward, and isolated areas -- all attempting to deliver on the project goal of integrating autonomous tribal groups into the body politic of Pakistan.

If there is a fault in the project design and early implementation, it is trying to do too much with too little flexibility, a procedural failing when the difficult environment called for wide latitude in project execution. The test of how to work in tribal agencies has been undertaken; the results are in; and new methods are required, some combination of less ambitious project selection (more carefully considered for implementability) and more flexibility in execution (accepting that USAID must help resolve problems in implementation).

THE SECOND STAGE MODIFICATIONS

As the evaluation team arrived in Pakistan, TADP was already undergoing close scrutiny. The inability to complete the Sadda-Marghan road was an annoyance to the Government of Pakistan (GOP) and USAID. The new USAID Director asked if this project should be continued, and met with the Governor and others in NWFP to

understand why progress was either slow or halted. In the evaluation team's early discussions with USAID, and in the team's field trips, the difficulties of working in the tribal environment were highlighted, as were the early and second-stage solutions applied by USAID.

The team may not understand all the subtleties of the modifications to TADP that have taken place as new USAID project leadership emerged. There appeared to be a greater concern for the solution to USAID procedural requirements, with the use of architecture and engineering (A&E) contractors to prepare designs to AID specifications with detailed costs that can be used to generate reimbursement agreements. With the approved design in hand, the implementing agency could then issue a call for bidding on a contract that would be executed under host country contracting procedures, allowing a payment system very different than under the fixed amount reimbursement (FAR) process. Thus, contractors could be paid monthly, based on quantities of work performed, as described in the contract and certified by independent A&E inspectors. As described by a proponent of the model, USAID gets out of the business of having its own engineers rejecting cement retaining walls or spending months insisting on design and construction details that GOP agencies are not in the habit of providing. In spite of attractive components, the evaluation team does not believe that host country contracting is a solution to the project's difficulties.

The evaluation team has no quarrel with host country contracting, or the use of A&E firms to design and later inspect ongoing and completed construction. The old way works poorly; perhaps a new way will work better. But significant, larger issues should be resolved before there is a rush to embrace this new solution. These issues are:

- A decision on the importance of transferring technology to implementing agencies. A&E designs for infrastructure, completed by outside contractors under host country contracts, supervised by A&E firms, with both the contract and the A&E firm paid directly by USAID, may accomplish some but not all project purposes. In the right locations, it may build infrastructure. The evaluation team doubts it will build infrastructure-generating capacity within the Federally Administered Tribal Area Development Corporation (FATA DC) and the Communications and Works (C&W) Department. If increasing the capacity of the implementing agencies is to be an important project objective, larger decisions on the appropriate implementation strategy need to be made, which will determine how and where to use A&E firms for design and construction inspection.

- Overcoming the problems caused by centuries of tribal autonomy and contentiousness. By focusing on ways to provide USAID with its needs in supporting infrastructure creation -- that is, clear designs, methods of ensuring inspection, and rapid payment to contractors -- the second stage modification may lose sight of the intransigent nature of tribal groups who are to allow, receive, and profit (often several ways) from TADP subprojects. A system that increases USAID's comfort level, providing the engineering competence that USAID believes is lacking in the implementing agencies, may not work in the tribal areas on those subprojects already selected, with A&E designs nearly completed.

The second stage modification is incomplete; new methods of working in the tribal areas may give rise to a different set of problems with the same old results -- slow or halted construction. If USAID has not come to terms with the flexibility needed to implement TADP, if there is no GOP agency that provides policy direction and political commitment, if there is no ability to move and employ funds quickly to complement ongoing activities, the responses to the new set of problems generated by outside designers, constructors, and inspectors will be no better than the old. USAID, having approved a host country contract with a construction firm, will not be prepared to solve implementation problems when they occur.

THE THIRD STAGE REFOCUSING

USAID may be ready to consider a major modification of TADP. It is necessary, and the second stage changes address some but not all of the critical issues. The following pages offer suggestions on how the project could become viable and accomplish its objectives, given new direction, integration into the GOP, and three more years added to its Project Assistance Completion Date (PACD).

Since no issue is more critical than finding a home for the project within the GOP, with direct Pakistani involvement in decision making and direction, the evaluation team concentrated on determining a workable solution that would be acceptable to the NWFP. After being encouraged by USAID to pursue this issue, the team presents its findings below. Once there is an interested GOP connection, the project has two additional prospects --broadening the scope of activities, and re-directing technical assistance. These subjects are treated below.

MANAGEMENT AND COORDINATION OF TADP
WITHIN THE GOVERNMENT OF PAKISTAN

At present, TADP has no single home within the GOP or the government of the NWFP. There is no single GOP project manager. Because its subprojects are located in several tribal agencies and frontier regions and implemented by either FATA DC or the NWFP C&W and Local Government and Rural Development (LG&RD) departments, there are several subproject managers but none who has a vested interest in ensuring that the problems these subprojects have faced (or may encounter in the future) are dealt with in a systematic, expeditious fashion. Consequently, a degree of confusion characterizes the efforts of TADP in the design and implementation of the subprojects it supports.

In theory, the clients of TADP are the tribesmen (tribals) themselves. They are the ones who should benefit from surface and ground water development and the development or improvement of other physical infrastructure projects such as roads. However, to deal with the tribals, TADP must work through government officials -- the political and administrative officers in the tribal agencies and frontier regions, the administrative and technical personnel of FATA DC and the C&W Department, the NWFP Planning and Development (P&D) Department personnel, the NWFP Home Secretary, and, if the project is substantial in terms of cost, federal government officials. In a sense, these officials are also clients of TADP. The political agents in the tribal agencies, for example, are charged with maintaining law and order in their areas and welcome development projects so long as these projects do not disturb the peaceful coexistence they attempt to maintain among the tribes in their agencies. Some political agents are development activists, seeking to open previously closed tribal areas. Another example is the administrators and technicians of FATA DC. TADP support for their projects is welcomed as long as this support does not involve a disproportionate amount of their time and resources. The needs and requirements of these government clients must be recognized and met in the design and implementation of TADP subprojects.

As a result of the evaluation team's analysis of TADP progress to date, some problems confronting this project include:

- Identifying viable projects -- viable in the sense that all officials (political and technical, GOP, and USAID) agree that they are viable;
- Facilitating and expediting the implementation of projects; and
- Securing the commitment of political authorities to ensure that tribal interference in the implementation of subprojects is kept at a minimum.

Based on interviews with GOP officials in Peshawar and in some of the tribal agencies and frontier regions, the evaluation team recommends the following arrangement designed to assist TADP in expediting both the identification and design and the implementation phases of its subprojects. The arrangement involves:

- The establishment of a Project Coordination and Review Board (PCRB), chaired by the Additional Chief Secretary (ACS), and composed of the following individuals:
 - The ACS, P&D Department, NWFP,
 - The Chairman, FATA DC,
 - The secretaries of other line departments whose activities may be added to the project in the future,
 - The political agents in the tribal agencies in which TADP wishes to support subprojects,
 - The deputy commissioners in the frontier regions in which TADP wishes to support subprojects, and
 - The USAID official in Peshawar who heads the TADP.
- The establishment of a Special Development Unit (SDU) in the P&D Department headed by a Grade 19 (Additional Secretary) official. This unit would house a revised Research and Evaluation Unit (REU).

The PCRB would be a policy and decision-making body affecting all phases of the subproject cycle. The PCRB would identify and select projects and assist in eliminating bottlenecks and delays (in some cases anticipating them). By combining the talents of the technical side (FATA DC and other implementing agencies) with the planning and political sides (P&D and the political agents/deputy commissioners), effective demand for a project could be determined and ways and means for expediting its implementation would be pursued.

The SDU would provide the analysis and follow-up necessary for site selection and ensure that subprojects maintain their implementation schedules. The Additional Secretary (or Director) who heads this unit would link the PCRB with field operations so that a field component would be built into this position. This arrangement would make this position more attractive, and thus attract more competent officers.

Although TADP started with an REU, this unit never established its importance for the project. Placing it within the SDU, providing support for it (including a U.S. technical advisor), changing its focus to such objectives as establishing an overall plan for development in each TADP-supported tribal agency, and providing an analysis of potential sites for projects

(the political and socio-cultural characteristics, including the issue of law and order), would give the SDU the kind of support required for work in the tribal agencies.

These recommendations received a positive response in discussions with P&D. In the evaluation team's last meeting (November 11, 1985), the Director of the SDU of the Special Development and Enforcement Plan of the NWFP indicated that he was proposing to the ACS that his unit be withdrawn from the United Nations-supported project. He indicated that if USAID had additional projects in NWFP, the SDU recommended for the TADP could be raised in status (that is, headed by a Grade 20 officer) and might be used to expedite the subprojects of USAID projects. In considering the future of TADP, both the Director and the Secretary, P&D, indicated that USAID would have to decide the institutional issues, including the use of nominated contractors, the specifications demanded for infrastructure projects, technical aspects of USAID projects, and how to enlist the political support of the political agents and deputy commissioners in the areas in which TADP wants to work. Certainly, the last issue could be facilitated through the new organizations the evaluation team recommend.

These new organizations would provide a home for the TADP in the NWFP, ensure that subprojects address effective demand, expedite the implementation of projects, and increase the probability that the goal and objectives of TADP are accomplished. In addition, the new organizations (in particular the SDU and its REU) would contribute to technology transfer by enhancing the planning and implementation phases in the project cycle. The NWFP government would be receptive to these ideas and would work with USAID officials in developing them.

ENLARGING THE SCOPE OF THE TRIBAL AREAS DEVELOPMENT PROJECT

The focus to date has been on completing construction projects. All attempts at other-than-roads and water-control structures (agricultural demonstrations, rural schools) faltered on the complexities of tribal areas when faced with an unyielding funding process. Other alternatives could be considered. Those suggested have included:

- Forestry Development. AID/Washington Forester, Dan Deely, investigated the possibilities of TADP support to reforestation in tribal areas, and submitted his report on November 20, 1985, entitled, "Exit Memo: Examination of Forestry Development Prospects in Connection with USAID/Pakistan's Tribal Areas Development Project."

- Agricultural Development. Particularly feasible in those locations in which water resources have been improved through the project's activities. The evaluation team met with the FATA Agriculture, operating under the auspices of the P&D Department, NWFP, and was convinced that agricultural programs similar to those being implemented in the NWFADP were feasible, utilizing only Pakistani technical assistance and thus eliminating the many problems of expatriate access to troubled locations within FATA.

- Area Development. In selected locations in which the political agent is development oriented, there is the possibility of supporting area development concepts. This was especially true in Bajaur Agency, where Mahmood Khan, a graduate of the John F. Kennedy School of Government at Harvard University, was articulate and convincing in his proposal for TADP-funded development assistance in reforestation, agriculture, animal husbandry, small roads, and watercourses. He wanted funds to be placed at his disposal, so that he could mobilize agency resources and complement local initiatives, which had convincingly demonstrated the capacity to build useful structures. The evaluation team visited Bajaur, and later requested a field investigation by a USAID Pakistani agriculturist. The report was encouraging. However, the presence of opium poppies in fields in Bajaur was not, and although the political agent was lucid in his program for eradication, the timing would not easily suit the requirements of U.S. funding.

- Planning for Development. One failing of TADP in its early years was the lack of knowledge, allowing more in-depth consideration of the advantages and disadvantages, the costs and benefits of entering a particular agency or area within an agency. In each location the team visited, the political agent could demarcate those areas under government control, those in which the government could exercise strong influence, and those where the government was unable to enforce decisions. There is a wealth of accumulated knowledge about tribal areas that is not available to planners, but available from those with many years of service in the region. The decision on which projects the government should support, the strategy of development over time, and the issues of opening previously closed areas to government access are not based on analysis of information that could be available for planning. The evaluation team discussed these concepts with the P&D Department of NWFP, and received the impression that P&D would welcome assistance in this important area. Better information, used to analyze where next to locate TADP subprojects and how to

proceed with implementation, would make major strides in selecting those subprojects that could be completed on schedule, and with a minimum of disruption.

Each of the above possibilities -- and more were discussed during the evaluation team's visit -- calls for some solution to funding support other than strictly FAR agreements. TADP could operate as do other area development projects in Pakistan, with FAR used for construction and an overarching funding document used to support the planning, technical assistance, commodity and equipment procurement, and local support to Pakistani line agencies. This redirection of the project is feasible and necessary if non-construction goals are to be realized by TADP.

REFOCUSING TECHNICAL ASSISTANCE

The original technical assistance package called for three technicians who were directly involved in technical details of the projects activities. The evaluation team was asked to review the contributions made by this kind of technical assistance (contained in the responses to particular Scope of Work questions in Section B) and found few positive results. An alternative, discussed in detail in the Scope of Work questions dealing with the institutional linkages between TADP and the operating and planning arms of the GOP, is to direct technical assistance toward the transfer of technology -- water resource management technology to FATA DC, and planning and information technology to the P&D Department, NWFP.

The recommendations of the evaluation team were to end the Soil Conservation Service contracts as soon as feasible (two members of the three-person team had left the project before the evaluation team arrived) and add a seasoned overseas water resources engineer directly to the offices of FATA DC in Peshawar to upgrade computer-assisted water control structure design knowledge; and to work directly with headquarters and field staff in improving all aspects of FATA DC's water resource management program. The same reasoning applies to placing a U.S. specialist within the P&D Department, through the newly re-created REU to help improve information collection, analysis, computer applications, and planning for development in the tribal areas.

Section B of this report argues that support to the C&W Department could best be provided by Pakistani A&E firms, that is, C&W is not an attractive target for U.S. technical assistance, and that LG&RD is best dropped from the program. These suggestions are not drawn in detail, since USAID has two other area development projects underway, serving as the models from which to re-target TADP. The evaluation team is convinced of the acceptability and desirability of the refocused technical assistance to both FATA DC and P&D.

The following sections, in which all questions from the Scope of Work are answered, provide additional detail on the perspective and experience of TADP, making revision of the technical assistance strategy desirable.

SECTION B

**SPECIFIC ANSWERS TO THE QUESTIONS RAISED IN THE
EVALUATION SCOPE OF WORK**

17

SECTION B

SPECIFIC ANSWERS TO THE QUESTIONS RAISED IN THE EVALUATION SCOPE OF WORK

This section answers the specific questions raised in the Scope of Work; these are reproduced in the introduction to each response. Questions One and Eight asked for documentation on the history of, and progress to date on, components of the project. Some of the components are complicated, generating lengthy responses. The questions were:

Question One:

Assess the overall implementation progress to date for the following project activities:

- Construction of watercourses under the Bara Irrigation Scheme and the impact on the farmers in the area;
- Establishment and operation of demonstration plots and the application of precision land-leveling techniques, improved cropping patterns, and water management practice to ensure maximum utilization of the land;
- Hydrological field investigation work under the geohydrological survey and investigation for groundwater development component of the project;
- Construction of the 25.6 km Sadda-Marghan road and the identification and pre-construction of the remaining 100 km of other segments of roads to be built;
- Construction of small rural development schemes; and
- Performance and value of the research and evaluation unit responsible for collecting, tabulating, and analyzing basic farm and economic data for the project.

What has been the extent of progress to date for these activities? Why have so many of them fallen behind in implementation schedule, and what can be done to improve performance?

Question Eight adds to this assignment:

Evaluate the selection criteria, design work, supervision, and effectiveness of all subproject construction activities as well as the impact of the completed facilities on the local tribal population.

Previous Page Blank

This section is organized into case studies, reflecting a composite of information drawn from interviews, field visits, and file searches. The following categories are treated:

- Water Resource Development and Related Agricultural Support
 - Bara Irrigation Scheme
 - Marghan Irrigation Scheme
 - Go Go Wam Irrigation Scheme
 - Groundwater/Hydrology
 - Bara Agricultural Demonstration Plots
- Roads Construction and Support
 - Sadda-Marghan Road
 - Road Machinery Procurement
 - Additional Roads To Be Constructed
- Rural Development Schemes
- Research and Evaluation Unit

These 10 case studies offer the details of the operations of TADP components for the first three years of implementation. Responses to Questions Two through Eleven (excluding Question Eight, which is included within the case studies) follow.

CASE STUDY:

BARA IRRIGATION SCHEME

Summary

The Bara Irrigation Scheme was the centerpoint of the TADP. With its projected internal rate of return of 36 percent, showing \$442 million in net benefits over 20 years, Bara carried the economic justification for TADP, and covered two of the three U.S. Soil Conservation Service (SCS) technicians assigned to the project. The projections called for 160 watercourses, bringing 40,000 new acres of irrigated land into production. Significantly, 20,000 of those acres were to be the result of improved water management, which means, in the case of Bara, restricting water rights so the tail gets more and the head less. Among the tribal group that controls Bara, the Afridis -- who recently resettled from the uplands of their traditional area -- farming is less than a full-time occupation, with small plots providing family sustenance while more commercial activities, usually smuggling, provide the majority of the cash income. Water management, in fact, any kind of management, proved more than the political authorities could deliver at Bara, and on April 1, 1985, the USAID Director terminated further AID support to watercourse construction at Bara, with five watercourses nearly completed since work started in August 1984.

Bara was an exceedingly difficult subproject to conclude successfully; the political imperatives of tribal rights ran headlong into established AID procedures. Neither side deviated from its position. Although it is possible that the subproject could never have been completed, even with a different AID stance, the background and lessons drawn from Bara reflect problems that have been and will be encountered by AID elsewhere in the tribal areas. If USAID insists on a fixed agreement that once concluded has no possibility of modification, it should fund only in major highways and bridges in tribal areas, where the problems exposed at Bara are unlikely to occur. If AID elects to fund development projects more in the heartland of tribal areas, off the beaten path where government authority is still tenuous, new, more innovative and flexible processes will need to be implemented. Elsewhere in this report the evaluation team suggests how these new initiatives might be incorporated into TADP.

The Design Process

Before the SCS long-term technicians arrived, USAID asked for and received a short-term visit of an individual from the SCS, who was to review the designs of the five watercourses that FATA DC reported were completed. Arriving in February 1983, the SCS specialist worked with USAID's Office of Engineering and

discovered that only one watercourse had a design; FATA DC had completed preliminary survey work for the remaining four. Working directly with FATA DC, SCS and USAID helped with field surveys, designs, and then the plans that would lead to construction specifications.

There were long exchanges between USAID and FATA DC on appropriate costs for agreed-upon construction, often resolved by tendering some specific component of supply to outside contractors. Then the lengthy deliberation took place before FATA DC would agree to undertake the construction departmentally, rather than through nominated contractors.[1] FATA DC had its own watercourse in Bara under construction by a nominated contractor, a small project that was reported to have been abandoned uncompleted.

All issues were resolved and agreements completed for the Bara watercourses by January 1984, when the lack of an approved PC-1 stopped the issuance of a reimbursement agreement until April 1984. All paperwork was completed in May 1984, and after Ramazan and time for mobilization of FATA DC staff, construction started in August 1984.

But disagreements over appropriate costs for reimbursement for FATA DC watercourse construction were not resolved, and during the design of the second tranche of five being prepared for a second reimbursement agreement, the cost differences continued to surface. According to FATA DC records, FATA DC will expend \$10,000 more than the reimbursement amount for the first three watercourses. The final version of the reimbursement agreement did not include a percentage by which the watercourses could exceed the total reimbursement amount stated in the agreement, which had been discussed prior to signing. The GOP method of allocating Annual Development Plan (ADP) funds means that FATA DC will have to take funds from another irrigation project to make up the shortfall.

The Issues

Two overriding issues scuttled the Bara subproject. The first issue was the demand, well-established in the administration of tribal areas, for the tribes to be paid for the privilege of allowing a government development project in their

1 Nominated contractors are selected by the tribal leadership and approved by the political agent as a right derived by the tribal opening for the area to government access. The nominated contractor may or may not actually do the construction work; many sell the contracting rights to other subcontractors.

controlled area, in general, and to be paid specifically for financial loss incurred by construction. Thus, the tribesmen demanded compensation for trees that had to be cut (and replanted new trees immediately after removal of the old ones) along earthen watercourses, for loss of land as a result of realignment or watercourse construction, and for crop loss and a refusal to allow water to be turned into their fields. The second issue concerned the project's attempt to manage the water, that is, restrict the previously unrestricted flow from a minor or watercourse into farmers' fields. Thus the tribesmen demanded more (in number) and larger (in size) nuccas (outlets into individual farmer's fields) and larger moghas (the outlet structure for a watercourse). There were other problems, most of them having the effect of delaying construction, such as the lack of equipment on site, inadequate number of and training for the FATA DC staff assigned to Bara, and closing of the area because of political disturbances. But the subproject finally was halted because of damage to the watercourses once completed.

The following paragraphs trace the major points of dispute from the beginning of the project through to the final denouement.

Compensation for Allowing a Government Project on Tribal Land

This was a known issue. The USAID project officer wrote in January 1984:

Based on precedent and political agreements dating back to British administrative arrangements in the FATA, GOP-funded development activities are supposed to be implemented through tribal contractors from the area in which the development (construction) is to occur. This is an official recognition of tribal territorial rights. The Political Agent is responsible for letting these contracts and this process is considered highly politicised. The PA uses this process to keep the peace, to reward Maliks and other individuals for being cooperative, and/or as a tool to get these people to be cooperative -- or at least not hostile

When any GOP development structures are constructed in FATA using outside contractors or departmental staff, the long-established administrative procedure is to pay the tribal group that would have been in control of the tribal contract a percentage of the amount to be spent on the development. This is known as the Tribal or Quomi Commission. The amount commonly stated ranges between 6.25 and 6.5 per cent, but it may be more. The payment relates to the strong territorial rights associated with tribal segments. From early in the project design stage, the AID policy has been that project funds will not be allowed to pay tribal

commissions, this payment being defined, perhaps, wrongly, as a bribe. It is an established administrative procedure

If both of these tribal tributes are lost, the PA is placed in a difficult position regarding the tribals. He must explain the lack of tribal contracts and/or commissions for a major development activity over the next three years

Finally, if the PA loses both of these tribal tributes in his political relations with the tribes at Bara, he is not likely to be very happy with the project that placed him in this position

When, on March 14, 1984, the assistant political agent approved beginning of construction at Bara, he reported that the tribals agreed to FATA DC departmental construction (that is, no nominated contractors) and to no Quomi Commission. A tribesman's word is his bond until, like most of us, his pocketbook is attacked. In the absence of the two traditional methods of being paid to undergo a government intervention on their land, the tribesmen settled on demanding payment for small transgressions against their property and rights.

Removing Trees from the Watercourses

Tree removal was identified as a potential problem by SCS and USAID engineers as they initiated USAID investigation into watercourse design in February-March 1983:

. . . The farmers have agreed to cut down those trees which are in the way of constructing a lined watercourse. It could be that at the time when the watercourse is being constructed that some farmers might object to the removal of their trees. This could be especially serious in that part of the watercourse which will be a reconstructed earthen reach.

Removal of trees did prove to be a major stumbling block, still at issue as FATA DC attempted to obtain reimbursement of completed watercourses in October 1985. The decision to insist on tree removal followed previous water management projects; trees were cut from all sections, including the earthen (non-concrete lined) watercourses. The specifications for Bara were taken directly from the On-Farm Water Management Project, and little investigation was done on the complications resulting from that project. The decision to call for tree removal was made when the final specifications became a part of the FAR agreement. The thinking was that 1,500 watercourses under the On-Farm Water

Management Project had trees removed, Colorado State University had done supporting research, and the Agriculture Department agreed and advised farmers to remove trees from watercourses. So the project followed the recommendations of the similar projects in Pakistan. The trees not only suck a lot of water from the watercourses, but their roots structure also damages the watercourse.

But attempts were made to influence the decision against establishing tree removal as a requirement of the reimbursement agreement. The project officer wrote:

The question was raised on putting in specifications that cannot be enforced or that puts the project in a situation that almost certainly requires rejection, a kind of entrapment. [The ARD (Agriculture Rural Development) Office] noted that in NWFP there had been major problems with getting farmers to remove trees along water courses . . . pressure on farmers who refuse to have trees removed is difficult to apply. I do not think we have the answer unless it would be that we do not line the sections where the trees are a problem. But I do not think that we have the answer in rejecting a watercourse because someone along the line would not agree to have trees removed.

The Office of Engineering replied:

[The original designer] realized this problem fully and therefore he wrote clearly that these specifications can be changed with AID's approval. The problem is that if this clause (removal of vegetation) is not included, then there will be no efforts (or a desire even) to remove the trees from the watercourse alignment. Let FATA try its best; if it fails, AID will approve a change in specifications. (June 19, 1983)

Tree removal proved to be a continuing problem, not along the cement-lined watercourses, but on the earthen sections, exactly as SCS predicted. In a series of confrontations and meetings, the political authorities attempted to obtain agreement to remove the trees, and reported that they believed agreement had been reached. But the tribesmen simply dug in their heels on the loss of a resource. By now USAID had dismissed the prospect that the specifications might be changed, and the reimbursement agreement was taken by the inspecting engineers as fixed. In October 1985 reimbursement was still at issue on the five completed watercourses, as the tribals refused to cut trees on the earthen portions.

The project officer's concern seemed to come to pass, as the reimbursement agreement, written as it was with tight specifications on tree removal, placed the project in the potential entrapment of automatic rejection for reimbursement. The regional affairs officer (RAO) negotiated with FATA DC to reduce the reimbursement total (since tree removal was costed in the reimbursement agreement) by some reasonable amount, agreeing that he would then sign off on the reimbursement. This action had not been completed as the evaluation team departed.

Had there been either a heeding of the warnings offered by those with prior experience in water management issues in NWFP or more flexibility in USAID's approach to insolvable problems, tree removal might not have assumed such time and energy-consuming importance. But it is one seemingly insurmountable problem in the implementation of the Bara Irrigation Scheme.

The Attempt to Impose Water Management in Bara

A project engineer reported in March 1985 that while there were 78 land owners in one section, there were only 48 nuccas. Many landowners who did not have direct access to a nucca broke the watercourse to obtain water in accord with their understood water rights. When major difficulties arose, USAID held firmly to the position that a FAR agreement had been signed, and the additional nuccas to meet tribal demands were not USAID's concern. This problem was anticipated, but not solved in the early months of project design, and the history of the exchanges is instructive.

SCS and USAID's Engineering Office suggested in early 1983 that the nuccas and their associated check nucca be costed in units, and the reimbursement agreement be written to allow calculation after the placement of the nuccas was established, during construction. This is because it is very difficult to determine in advance exactly where the outlets should be placed, and much easier to contact the owners immediately before the watercourses are constructed.

This concept was written into the original reimbursement agreement sent from the project officer to the Legal Office in Islamabad. In his review and clearance, the legal officer in August 1983 replied:

I have intentionally deleted your provision which would vary the Fixed Amount Payment based upon the total number of nuccas and checks installed. I have done this for a number of reasons including, specifically, the fact that I believe it is inappropriate to have a variable amount in a Fixed Amount Reimbursement contract, and because an undefined variable cost will make "earmarking" funds difficult. It appears that

your plus/minus 15 percent variation allowance should cover almost all situations without a need to adjust the Fixed Amount Reimbursement.[2]

Thus, the number of nuccas had to be determined prior to construction and their cost entered into the reimbursement agreement. The issue of nucca locations and accessibility was to continue to disrupt construction and cause the tribals to break the lined watercourses after completion. The locals' demands, made to FATA DC and the political agent, were for more outlets from the USAID-funded watercourses.

USAID's engineer provided an explanation of why there was the great difference between the number of nuccas written into the design and the number demanded once construction began:

The number of nucca turnouts to the tribal lands and the location of the nuccas were identified early as potential problems which continued to plague the Bara subproject. Before construction, there was a committee of elders assembled for each of the five watercourses, formed by FATA DC and the Tehsildar (local representative of the Political Agent). The Committee agreed on the location of the structures, the alignment, and tree removal. Whatever trees were removed, it was through the influence of the elders' committees. But in some cases, the committees could not make their decisions hold. USAID recommended early that such committees should be formed, but AID personnel were not a part of the meetings. In fact, USAID could not participate.

There are several conditions under which the farmers broke the cement watercourse. One was multiple access to water for owners with larger blocks of land bordering the watercourse, to reduce labor costs of moving water to alternative areas of their fields. Others were cases in which owners did not have direct nucca access, but had to get their water through other farmers' lands. Arrangements made before the watercourses were constructed did not seem to hold after completion. Those without outlets broke the watercourse to gain access to water when tribesmen would not agree to a sharing arrangement. The third reason to break the watercourse was for domestic use for the houses, something the project never agreed to establish or reimburse.

2 The final version of the reimbursement agreement did not contain any variation allowance.

The problem of water management, of the complete lack of discipline and cooperation by the tribesmen over water distribution, was not foreseen. USAID strategy was that once the watercourses were improved, then water management techniques could be introduced. The extra nuccas which were requested do not create a seepage problem. Instead, fewer nuccas serve as a water control device. [USAID personnel] with FATA DC and the Tehsildar, allocated the nuccas where the property changed, as they talked to the locals.

Wherever the locals wanted it, they agreed. Once the locations were determined, and the watercourse constructed, the owners did not like the results.

In all likelihood, where there was not agreement between owners in the beginning, then separate nuccas were provided; but in some cases, under pressure from FATA DC and USAID to hold down the expenses of extra nuccas and check structures, and thus to reduce the possibility of misusing the water, tribesmen would agree to share water from a common nucca. This agreement would not stand the test of time, and once completed, the watercourses were broken.

The size of the nucca was also in contention, with the tribesmen believing that they should have the largest size possible, and the engineers attempting to impose water management standards with 6, 9, and 12 inch outlets. It was reported in March 1985 that several 6-inch nuccas had been broken out and replaced with larger sizes. The tribesmen also objected to the limited size of the moghas, which had been constructed of concrete to make breaking difficult. The solution of the tribesmen was to tunnel into the minor, supplementing the water from the mogha into their watercourse with their own home-manufactured outlet.

Impasse and Termination of the Bara Irrigation Subproject

Work stoppage was obvious in January 1985. A meeting was held with FATA DC and the assistant political agent (APA) with the following listing of bottlenecks that prevented completion of the watercourses:

- Cutting of trees up to 5 feet on either side of the watercourse;
- Demand for unauthorized nuccas by locals;
- Demand for crop compensation by locals; and
- Demand for extra village culverts by locals.

USAID was reported as saying that "they were also agreed that road crossing and village culverts not provided in the estimate should be constructed by the beneficiaries at places where nuccas are provided. No extra payment on this account will be allowed."

The problems continued. In February, the political agent chaired a meeting with the principal actors, FATA DC, RAO, TADP engineer, and APA. The report of the meeting, written by USAID, describes working in the tribal areas, according to the political agent:

Major Javed Alam Khamzada (PA) briefed the group on the many political problems encountered in Bara in connection with watercourse construction. He stated that the present watercourse construction had slowed to a virtual standstill due to the interference of many farmers residing along the watercourses demanding special consideration which was not included in the plans. When the farmers cannot have their way they stop the work. The problems include interference with watercourse alignment, refusal to permit tree removal, demand for numerous extra nuccas, demand for many extra road crossings, demand for larger moghas, demand for crop compensation, and refusal to allow improved nuccas in the unlined portions of the watercourses. The PA said that before construction began, the farmers displayed an attitude of cooperation but once construction started, their attitude became one of demands.

Major Javed Alam Khamzada cited the uniqueness of dealing with tribal areas dating back to British times. He said the tribals consider it a favor on their part to permit the provision of benefits to their areas and almost always expect monetary compensation for their permission. The APA said FATA DC might have to construct extra nuccas and road crossings. He thought watercourse alignment and tree removal had been resolved. Still no resolution to mogha and crop compensation and he asked that USAID consider allotting Rs 1,000 per watercourse for compensation.

The minutes of the meeting, issued by the political agent, reports the USAID position:

The Irrigation Engineer, USAID, said that there will be no objection by USAID authorities to the increase of nuccas but USAID will not pay for them. He also said that USAID would not be in a position to pay compensation for damaged crops, etc., or for any item which is not included in the agreement. (underlining added)

The P&D Department of NWFP attempted to help make Bara work correctly and sponsored two meetings and briefings on the problems in Bara. In a report completed for the department, the P&D committee wrote the following recommendations on the settlement of what it called "political disputes":

- i) A standing committee of the elders of Bara (particularly the project area) be constituted by Political Agent Khyber to enforce the decisions taken in consultation with the locals and the political administration and take cognisance of the political disputes that arise thereof and solve them.
- ii) While framing the estimates, the FATA DC and USAID should consult the locals and the political authorities for selecting sites of nuccas.
- iii) USAID and FATA DC will consider those additional demands of the locals which are technically feasible and have small financial implication.
- iv) The fund required for additional demands of the locals will be met from the enhanced amount of surplus rupees available due to the depreciation in the exchange rate of the rupee vis-a-vis US \$.
- v) XEN [Executive Engineer] Project Division should hold periodical (monthly) meetings with PA Khyber or his representative to review the progress regarding the solution of the political disputes.

In its final recommendations, the P&D committee wrote:

- i) The implementing agencies should proceed on the assumption that the political problems cannot be avoided altogether. However, preventive action in the form of prior consultation with the tribesmen can minimize the problems.
- iii) Keeping in view the special political status of the tribal area, USAID should have a more flexible approach, without of course, sacrificing technical accuracy and economic efficiency. (underlining added)

Reasons for the Final Outcome

The USAID engineers assigned to work primarily with FATA DC held a consistent philosophy that was derived from the USAID organizational culture at the time. USAID engineers were strict interpreters of the reimbursement agreement. They believed it was in everyone's interest to have exacting standards and that the FAR was a legal document between two countries that could not

29

be interpreted and changed by the engineer in the field. USAID placed itself in the position of approver of the designs, certifier of the costing estimates, and inspector of the construction efforts.

A final report from an SCS specialist stated:

Significant progress has been made in educating the FATA DC engineering and technical staffs in standards expected on USAID projects . . . FATA DC had little knowledge of the precision USAID required for cost estimates, designs and construction standards. I spent valuable time working with FATA DC engineers revising plans, designs and cost estimates until they met the proper criteria.

Another major task was to bring construction quality up to acceptable construction standards. Poor quality concrete work initially installed by FATA DC resulted in the need to dismantle and replace significant amounts of concrete in the Bara Watercourses and Go Go Wam schemes. Due in large part to my efforts, I believe that FATA DC now realizes that proper construction standards are not negotiable

After months of enforcing the standards for project development required by USAID, I was eventually successful in obtaining a high measure of cooperation from FATA DC.

The GOP implementing agencies do not regularly design, plan for construction, complete detailed costings, and generate inspection standards that are demanded in a USAID FAR process. Theirs is a different system, calling for general alignments and designs and detailed correcting decisions on site at the time of construction. Not being familiar with USAID procedures, which were far from their own, technical assistance might have prevented some more obvious errors. During the first three years of the project, there is little evidence of the use of USAID or SCS to work with FATA DC and C&W to transfer technical skills and understanding.

There is still within USAID a very high level of concern that engineering subprojects must be of standards that are not likely to be obtained without direct U.S. supervision and control. This is one reason that has led to the planning, for the next phase of TADP subprojects, for the use of A&E contractors for subproject design and host country contractors (rather than departmental or nominated contractors) for construction. Some or all of the following justifications are offered by various actors in TADP, arguing that proper USAID vigilance is critical to:

- Ensure that competent contractors build to well-prepared designs;
- Prevent institutionalized leakage in the GOP system, which requires that USAID play the part of audit agency ensuring that U.S. funds are not diverted from their construction objective;
- Overcome low competence levels in the implementing agencies by direct USAID supervision and payment to the designers and constructors; and
- Complete a contract to pay for construction delivered to a predefined standard. If those standards are not met, it is because the reduced standards have personally benefited the engineers involved in the construction project. Thus, either the agency meets the standards, or USAID rejects the work for reimbursement, since if it does not, it encourages pocketing USAID-reimbursed financing.

The Bara Irrigation Scheme called for the implementing agency (FATA DC) and the beneficiaries (the tribesmen) to meet USAID expectations and contract standards. When that did not happen, all parties appealed belatedly to the political authorities, who attempted to resolve the impasse through some combination of compromise, tradeoffs, and payoffs. Prior decisions had eliminated the Quomi Commission and use of nominated contractors as options. When no flexibility was forthcoming from USAID over system changes or compensation demanded for direct financial loss from the construction of the watercourses, the political authorities could or would do little, since they had no USAID bargaining resources. (There was not a commitment to use GOP funds for those purposes.) The next generation of TADP schemes, unless very carefully selected or more innovatively implemented, may suffer a similar fate.[3]

2 Discussions with NWFP officials suggested that Bara was in the throes of political disturbances unrelated to the subproject, but which made completion under the best of circumstances problematic. The tribal environment is replete with local feuds.

CASE STUDY:**MARGHAN IRRIGATION SCHEME**Summary

The Marghan Irrigation Scheme, which was identified very early in the project, is located at the far end of the Sadda-Marghan road. The project went through a lengthy design/planning/costing cycle, as two new actors, the FATA DC XEN and the USAID engineer changed during this period. PC-1 approval was not a problem, arriving nine months before AID's reimbursement agreement.

In addition to the 21-month lapse between USAID's first identification of the project and call for design specifications, and the beginning of construction, the scheme has suffered implementation delays, most seriously concerning water rights distribution. The tribal elders on the left bank had traditional water rights, which, in times of plenty, were extended to those users on the right bank. This distribution was discussed before construction began, and the agreement reached was that water would continue to be shared from the concrete-lined channels and watercourses. But once construction was in place, the left-bank leaders saw that what had been a gift in times of plenty was being immortalized in a formal structure that would convey future water rights to right-bank users. They balked, and work stopped on the scheme.

The Design Process

Before the project was considered for USAID funding, a PC-1 had been completed. FATA DC asked that USAID review the PC-1. In March 1983, questions were raised that required answers.

April to July 1983

FATA DC and USAID Engineering finalized all design changes, construction plans, and cost estimates.

August 1983

TADP exchanged letters within USAID on the reimbursement agreement.

November 1983

TADP received the FATA DC designs and cost estimates, but the USAID engineers could not visit the site for a number of reasons.

December 1983

USAID was still reviewing the reimbursement agreement.

February 1984

USAID personnel made a major site visit. At this time, the team called for an alignment plan and new structures for breaches caused by construction on the Sadda-Marghan road; the falls design was changed as the new XEN wanted verticle falls. USAID agreed.

April 19, 1984

USAID received revised designs from FATA DC.

May 28, 1984

Site visit was made by USAID to review all designs. On this trip all outstanding issues were finalized.

August 1984

The reimbursement agreement was signed.

September 1984

A preconstruction conference took place in Peshawar.

September 1984

Work started.

Implementation Problems

Work has proceeded well on the Marghan scheme. Field inspections by USAID have determined the required design changes, modifications that all agree should be made, with no changes to the reimbursement agreement. Construction is noted as acceptable, and no completed work has been rejected.

But there have been problems with tribal differences. The assistant political agent reports that the first dispute was over the minor alignment adjustments of the channels, which destroyed or consumed tribal farmland. This stopped construction for some days, but did not seriously delay the contractor. A far more serious difficulty surfaced as the tribal leaders began to see the shape of the improved channels, and began considering the implications of the concrete diversion structure that divides the water into the left and right bank channels. A trip report from the Office of Engineering in September 1985 stated:

On July 27, 1985, I travelled to Kurram Agency for inspecting the subject (Marghan) scheme. Upon arrival at Sadda, a town twenty miles short of Parachinar, the political officials and FATA DC engineers met me with the request to postpone the inspection to a later date. They explained that there had been a shoot-out between the two tribes dwelling on the left and right side of the Marghan river; three employees of the construction contractor had been stabbed with daggers, and the situation was too tense for a safe conduct of the inspection of the scheme.

During the visit of the evaluation team, the APA described his efforts to resolve the impasse, meeting with tribal leaders from the left bank during the prior week. The leaders agreed that the right bank dwellers could have some water from the scheme, but they were not willing to share the water equally. The conditions they would accept, how the decision would be implemented, and the reactions of those on the right bank were yet to be determined.

A further issue with the Marghan Irrigation Scheme involves the appropriateness of the costs paid to the contractor under estimates determined primarily by USAID. The nominated contractor, who appears competent and able to complete the work in an acceptable manner, complains that he is losing money, having to provide large gratuities to the local tribals, and that the original cost estimates, made several years ago, were not high enough to cover current costs. He has presented this case to USAID, FATA DC, the APA, and all others who will listen. Since the cost estimates came from USAID (confirmed and agreed by FATA DC), what responsibility does USAID have to review the actual expenses incurred and consider an adjustment? The issue is analogous to other situations in which USAID, determining there is a problem, has two courses of action. Either USAID can state that a contract has been signed and it will pay only the agreed upon amount, or it can seek a solution to an identified problem (in this instance it is not clear the contractor has an argument -- the issue is the willingness to hear the case).

Conclusion

The Marghan Irrigation Scheme resembles the Sadda-Marghan Road, the Bara Irrigation Scheme, tubewells in Orakzai, roads in South Waziristan -- all selected, the evaluation team believes, without a clear understanding of the potential for disaster under implementation. In the tribal areas, a useful aphorism might be "choose wisely, or not at all."

CASE STUDY:

GO GO WAM IRRIGATION SCHEME

Summary

This scheme had a completed design by FATA DC and an approved PC-1 for the intake channel to support an existing watercourse system. Construction started in December 1984 with a target date for completion of December 1985. Although tribal disputes in this frontier region have been minor, the low-skilled and often unavailable labor who were to construct the scheme contributed to the rejection of one of 11 spurs and 400 x 3 x 2 feet of concrete diversion wall by USAID inspectors, delaying the estimated completion date until December 1986.

This subproject case study is instructive for its relatively rapid approval process and its contentious implementation history, as construction completed did not reach the standards required in the reimbursement agreement.

The Selection Process

Go Go Wam was selected by USAID following a site visit. All designs for the main structure had been completed and a PC-1 prepared. Since USAID agreed to add 11 spurs to the design, a revised PC-1 was required, which was submitted for approval after all agreements were finalized with USAID/RAO.

The Approval Process

March 1984

USAID visited Go Go Wam with the XEN, FATA DC, and discussed the inclusion of the already-designed project into the USAID portfolio.

April 1984

Go Go Wam was nominated for USAID support.

May 1984

Revised designs, based upon discussions with the XEN, and USAID's agreement to fund 11 spurs not included in the original PC-1, were submitted to USAID.

July 1984

USAID's Office of Engineering completed agreements with XEN, and FATA DC on designs and plans needed.

August 1984

GO GO WAM cost estimates, drawings, designs for the PC-1 were approved by RAO.

September 1984

USAID/RAO sent draft reimbursement agreement to FATA DC, asked for PC-1 clearance; reported all designs and costs approved.

October 1984

USAID/RAO sent designs and cost estimates to USAID Islambad, which approved subproject.

November 1984

USAID/RAO sent final reimbursement agreement to FATA DC; asked for PC-1 approval.

November 1984

FATA/DC signed reimbursement agreement, and transmitted PC-1 approval.

November 1984

USAID Director transmitted signed reimbursement agreement to Economic Affairs Division.

December 1984

Construction began.

Subproject Implementation

December 1984

Construction delayed by tribal interference, demanding Quomi Commission.

January 1985

Work resumed when political agent obtained agreement from tribal leaders to use only local labor on the construction, in lieu of Quomi Commission.

March 1985

RAO reported to FATA DC that there were no cement mixers at the construction site, as agreed in the reimbursement agreement.

March 1985

Floods damaged some completed structures.

May 1985

Tribals carried out short work stoppage over labor issues (FATA DC insisted on hiring skilled masons and carpenters from outside the area).

July 1985

USAID inspection found one gabion spur incorrectly tied, sized, and with small stones; reported that concrete wall needs further inspection. XEN FATA DC agreed to redo the gabion spur.

August 1985

USAID inspected, reported concrete retaining wall did not meet specifications. XEN agreed take out 100 feet to Natural Surface Level (NSL).

August 1985

USAID asked FATA DC to take out all 400-foot wall to NSL.

September 1985

XEN wrote no reason to take out all wall to NSL.

September 1985

USAID inspected, XEN agreed take out 200 feet to NSL.

September 1985

USAID inspected. XEN agreed to take out 220 feet to NSL.

October 1985

USAID asks FATA DC headquarters to take out all 400 feet.

October 1985

(from evaluation team visit) No chance to take out and repair wall since it now serves as irrigation inlet. XEN has agreed to dismantle all 400 feet -- must wait until December/January. New completion date is December 1986.

Issues

The imbroglio of engineering design and construction standards was in evidence during the evaluation team's investigation of Go Go Wam. The actions taken at one level are completely reasonable -- the rocks were too small in the gabion spurs, the wire was not tied correctly, the cement crumbled -- reject the inferior construction because its not to standards of the reimbursement agreement. But more important, the construction was not to sound engineering standards, and as such the structures either work not as well as they should for the money, or work not at all, or work but increase maintenance costs earlier than a structure built to standards. All three arguments were offered in discussion of the advantages and disadvantages of USAID's current method of inspection and rejection based upon a "contract" with the implementing agency.

From a larger purview, Go Go Wam makes little sense. When FAR system construction must be rejected, something has gone wrong with the process. Why should USAID inspect and reject structures FATA DC builds by the score each year? Does not AID have some larger purpose and function than to be present at concrete pours? Go Go Wam includes the following issues:

- FATA DC has completed hundreds of structures similar to Go Go Wam that still serve their intended purpose. The original designs are from FATA DC. Is USAID attempting to maintain too high a construction standard in an area where labor is not skilled or controllable?
- When does concrete work not meeting specifications become serious enough to threaten the utility and longevity of the structure? Each engineer seems to have a slightly different answer.
- USAID asked the Deputy Commissioner (DC) of D.I. Khan why his government signed an agreement to construct to certain standards when it apparently knew it could not meet them. The DC asked why AID insisted on standards it knew the implementing agency could not meet in the circumstances of tribal areas.
- Where will the money come from to pay for the cost overrun from this departmentally (FATA DC) constructed subproject? FATA DC has no general operating budget for irrigation schemes. Each one is approved individually. The XEN reported that other subprojects will have to be shorted to make up the difference.
- How can USAID support the improvement of FATA DC's technical and managerial staff? The chairman requested that USAID place an advisor in the offices of FATA DC and work with it, rather than contesting construction standards. An air-conditioned office was made available for USAID specialists but not used to date.

CASE STUDY:

GROUND WATER/HYDROLOGY

Summary

According to the Project Paper, FATA DC has had a ground-water resource development activity for several years. It has test wells in all seven agencies. However, its groundwater investigation was limited to surface geological observations for locating test well sites. The necessary equipment and skills to conduct a more scientific, systematic, and efficient exploration activity were absent.

Under this project, both technical assistance and seismological investigation equipment were to be provided to assist FATA DC undertake groundwater investigations at various locations in the tribal areas. On the basis of these investigations, 20 tubewells were to be drilled and installed, with appropriate geological samples obtained. A comprehensive data collection and monitoring program was to be undertaken in the basin where the tubewells were installed. This was to result in FATA DC personnel acquiring the necessary skills to establish water resource investigations and evaluation programs in other water basins throughout the tribal areas.

Planned project outputs as described in the Project Paper include:

- Increased capability of FATA DC to undertake groundwater investigation and to construct, repair, and maintain tubewells;
- A water production and resource monitoring system developed and functioning at FATA DC, including a water budget for the area in which the tubewells are installed;
- 20 tubewells drilled and operational using improved equipment in various parts of the tribal areas; and
- 20,000 acres (approximately 100 acres per tubewell) of new land brought under irrigation.

Project Chronology

September 21, 1982
Project Paper approved.

September 25, 1982
Project Agreement signed.

January 1983

PC-II for geohydrological survey and investigation for ground water development prepared by FATA DC and submitted to GOP for its approval.

April 16, 1983

A PC-1 for installation of 30 tubewells in the Mastura River area of Orakzai Agency was approved by the PDWP.

July 1983

The PC-1 for Orakzai tubewells was received by AID. USAID expressed interest in funding some tubewells in Orakzai Agency contingent on the required technical documentation and approval. This will await the arrival of the SCS team in September.

July/August 1983

Three FATA DC groundwater technicians and an E&E engineer attend six-week groundwater training in United States.

July 19, 1983

Procurement of equipment and technical assistance approved by PDWP at Rs. 15.478 million.

October 6, 1983

SCS geologist arrived in country.

November 1983

Geologist reviewed a PC-1 dated February 1982, for an initial 8 tubewells in Bartras Plain of Bajaur Agency. Recommended further investigations be performed before approval.

January 12, 1984

Geologist has experienced delays in getting to project areas:

- Orders for groundwater investigation equipment being worked on
- FATA DC's main concern apparently has been to locate sites and keep their 17 drill rigs operating. Well sites selected without much geological support data.

February 12, 1984

List of equipment for groundwater investigation sent to FATA DC for comment.

February 13-14, 1984

SCS was allowed to visit the Orakzai Agency for the first time to review the proposed tubewells. He made several recommendations on additional field studies and investigations that would be required before that project area could be considered further.

March 3, 1984

P&D issued a working paper for a joint meeting on March 4. USAID issues and GOP responses included.

March 5, 1984

USAID project officer requested issuance of a blanket PIO/C for equipment.

March 20, 1984

USAID submitted an action plan to FATA DC as a guide in collection of the required data at Orakzai Agency. (To date FATA DC has not accomplished this requirement.)

March 26, 1984

Implementation of plan in Orakzai delayed unless political situation will allow geologist advisor to visit proposed project area. Alternate plans also being considered.

April 9, 1984

Action plan for monitoring 110 existing tubewells in Bajaur Agency sent to FATA DC.

April 2-18, 1984

Geologist advisor and USAID engineer spent 9 days total in FR Peshawar and FR Kohat reviewing tubewell drilling, pump operation and investigation. Verbal recommendation on drilling, sampling, and logging made in field.

April 18, 1984

Project Office requested O/PDM to prepare PIO/C for groundwater monitoring equipment procurement. Total equipment cost with computer and air freight was estimated at \$100,000.

May 22-24, 1984

Agronomist and geologist made 3-day trip to South Waziristan for field review of existing tubewells and karez systems in Wana, Spin, and Barwand Plains.

May 30, 1984

Report submitted:

- Wana Plain to have detailed evaluation made.
- Spin Plain: Wells have possible salt constraints.
- Barwand Plain has very limited underground water supply.

June 27, 1984

Two-day visit approved. SCS geologist and FATA DC geologist made 5-hour visit to measure water levels in FATA DC tubewells and 10 hand-dug wells.

June 28, 1984

SCS geologist report on review of field visits and recommendation for improvement in field accomplishments. Conclusions were: (1) Not enough time spent in field by either the SCS geologist advisor or the FATA DC hydrology team. No one is gathering pertinent data or conducting geologic investigations for the groundwater component. Especially, no field trips are being made to the Orakzai Agency where USAID is considering funding some of the tubewells covered in the GOP approved PC-1. (2) Clearance procedures for field visits by AID technical advisors are not satisfactory. It is a major bottleneck in getting required field investigations. If the SCS advisor does not go in the field, the FATA DC team does not go either.

August 27, 1984

Procurement action in progress on most of the groundwater equipment.

November 15, 1984

List of current FATA DC staffing and assignments on groundwater sent to USAID.

December 9-13 and December 26-27, 1984

Geologist advisor made trip to Bajaur Agency to provide assistance to FATA DC hydrogeologists in gathering of technical data needed for evaluation of the Bartras Plain scheme of eight tubewells. As a result of the review, it was recommended that the PC-1 for the Bartras Plain scheme be approved for USAID funding. It was also suggested that the Salarzai Plain area be considered and that additional investigations including test wells be conducted in that area.

December 3 and 16-17, 1984

Geologist advisor made two visits to Orakzai Agency proposed project area to provide instruction in the investigation being conducted by FATA DC hydrologists. FATA DC promised to have full-time hydrogeologist assigned to the Orakzai groundwater investigations as of January 1, 1985.

January 14, 1985

Revised PC-1 submitted to AID for Bartras Plain scheme.

May 13, 1985

Per FATA P&D request, USAID reviewed a FATA groundwater development plan covering proposed schemes in Spin Plain, Wana Plain in South Waziristan, Danday Plain, North Waziristan and Jani Kel, FR Bannu.

May 22, 1985

In a FATA DC/USAID meeting on May 19, it was proposed that AID consider financing four tubewells in the Salarzai area of Bajaur Agency and reduce from eight to four wells in the Bartras Plain scheme. (It was rejected by AID.) Plans, specifications, cost estimates, and a reimbursement agreement have already been drafted for the Bartras Plain scheme. It was sent to P&D on May 21, 1985. AID recommended a separate test well scheme for the Salarzai area and again suggested additional investigation be started.

May 23, 1985

Draft reimbursement agreement sent to USAID for review.

July 3, 1985

Status of Tubewells: 14 tubewells have been recommended for USAID funding: 8 in Bartras Plain, Bajaur Agency and 6 in Orakzai Agency. However, approval of the 6 Orakzai wells is held up pending testing and monitoring of existing tubewells. Submittal of the draft reimbursement agreement for six tubewells is awaiting completion of the pumping tests of four existing wells that still lack power connections. Also, the installation of five test wells has been recommended for the Salarzai Plain of Bajaur.

July 16, 1985

P&D responded to July 3 letter: P&D has returned the draft reimbursement agreement and cost estimates for the Bartras Plain scheme with a revised PC-1 attached. A PC-II for five wells in Salarzai has been sent to USAID as of July 14, 1985.

August 6, 1985

Draft reimbursement agreement for the Bartras Plain scheme cleared by USAID and sent to DRAO for FATA DC signature.

September 24, 1985

Reimbursement agreement signed by USAID Director. O/PDM is processing necessary PIL to earmark funds for this activity.

October 14, 1985

PIL No. 25 sent EAD: Transmittal signed copy of reimbursement agreement and request to commit project funds to construct 8 tubewells in Bartras Plain of Bajaur Agency.

October 24, 1985

Meeting in FATA DC: AID asked for tentative schedule for moving drilling equipment to Bajaur. (It was scheduled for October 29, 1985.)

Assessment of Overall Implementation Progress to Date

The TADP Project Paper provides for the construction of up to 20 tubewells in various parts of the tribal areas. The recommendation of feasible locations for tubewell construction was to be based on the investigations completed under the Geohydrologic Investigations PC-II.

To date, the USAID groundwater advisor has recommended the construction of eight tubewells in Bartras Plain, Bajaur Agency. A reimbursement agreement has been signed and a Project Implementation Letter #25 issued to the GOP to commit necessary funds to implement this scheme (U.S.\$292,640 maximum or Rs. 4.389.584 at Rs. 15.0=\$1.00).

Submittal of a draft reimbursement agreement for an additional six tubewells proposed for Orakzai Agency is pending completion of pumping tests of four existing FATA DC tubewells that still lack power supplies.

Groundwater investigations and monitoring equipment procured by USAID for TADP arrived during June and July 1985. A SCS/U.S. Department of Agriculture (USDA) groundwater geologist arrived July 15, 1985, to conduct field training for FATA DC and TADP groundwater staff.

During the SCS geologist's 5-week assignment, an investigation team consisting of one FATA DC permanent employee and two professionals (work charge) was formed in FATA DC primarily for field training with the newly purchased 24-channel seismograph for subsurface geology, and the SE-200 hydrologic monitoring system for tubewells. This three-man team, two geophysicists and one hydrogeologist, has continued to function, providing field training to other members of the FATA DC hydrogeology division, and quantitative data for groundwater projects.

This team has completed the seismic survey in Bajaur Agency needed to provide data on depths to bedrock for the determination of tubewell sites in the Bartras Plain area where eight tubewells will be drilled by FATA DC. Preliminary seismic information was also provided to the NWFADP for the testwell program in the Gandaf-Malikabad area. At the request of the project director NWFADP, the team has also undertaken a seismic and resistivity survey to provide subsurface geologic information for the siting of additional testwells and production tubewells in this area.

During the five-week training period, the SE-200 monitoring system was used for pumping and drawdown tests in Bajaur and Frontier Region Peshawar to determine tubewell yield and aquifer characteristics. However, additional team members will need to be assigned to the proposed Investigation and Monitoring unit before FATA DC can make effective use of the SE-200 system.

Implementation was delayed because:

- There have been numerous delays in obtaining clearances for access to the tribal areas. The political situation in some proposed project areas has precluded visits and investigative work for extended periods.
- Geohydrological investigations have been slow as a result of delay in USAID procurement of equipment and lack of adequate numbers of skilled personnel in FATA DC. (All ordered equipment has been received.)
- FATA DC is perceived to lack motivation in carrying out detailed geohydrological investigations, as a result of shortage of funds, insufficient skilled personnel, and lack of conviction that such investigations are cost effective. Its apparent main interest is in keeping the 17 drilling rigs busy drilling wells.

Conclusions

1. TADP has made a major attempt to increase the capability of FATA DC to undertake groundwater investigations and in the monitoring and maintenance of tubewells. Groundwater investigation and monitoring equipment has been procured, and a three-man FATA DC team has been trained in its use and is currently functioning. During the 2.5-year tour of the SCS geologist advisor, considerable effort has been made to educate FATA DC on the necessity for more comprehensive geohydrologic investigations for groundwater management rather than simply groundwater development, and to motivate FATA DC to accelerate its application into its groundwater program. It is agreed that, although progress to date has not been as significant as hoped, there has been some degree of acceptance and improvement.

2. Given the inputs provided over the past two years in equipment and technical assistance to the groundwater investigations element, AID has adequately fulfilled its commitment to this project component. The decision to use geohydrological investigation as a critical precondition to groundwater development efforts must now lie with FATA DC. The evaluation team recommends no further major inputs be expended on this task beyond June 1986, the end of the SCS geologist's assignment to TADP.

CASE STUDY:

AGRICULTURAL DEMONSTRATION PLOTS IN SUPPORT OF THE BARA IRRIGATION SCHEME

Summary

The agricultural demonstration plots in support of the Bara irrigation scheme were as unsuccessful as the watercourse construction there. The Bara subproject was designed to reduce water used by the head of the irrigation watercourse, so that more would be available for the 20,000 acres in the collective tails, which were to come under irrigation when the watercourses were completed and improved water management practices were implemented. When water management proved impossible in Bara, the utility of the demonstration plots was greatly diminished. With the departure of the SCS agriculturalist, the plots were returned to the Department of Agriculture, and deleted from TADP funding support in September 1985.

A Short History of the Activity

In December 1983, ECNEC's provisional approval for the PC-1 for the Bara Irrigation Scheme called for the elimination of the agricultural demonstration plots on the grounds that such activities were already ongoing in each tribal agency. USAID made the case that water management for agriculture, not merely standard distribution of improved seeds and fertilizer, was at stake in this component of the project. In addition, few funds were involved. ECNEC relented (the TADP agriculturalist was already in country) and the activities proceeded.

As a result of ECNEC's original rejection of the agricultural demonstration subproject, the original leases for demonstration plots completed in December 1983 had to be canceled, with the result that land was not available until spring 1984, with the first plantings in August 1984. Eventually, 20 farmers cooperated on leased plots and local "checks," providing some consistent demonstration of the difference between improved and traditional varieties and cultural practices. In June 1985, after the harvest of the winter wheat, the SCS agriculturalist wrote to the Director, FATA Agriculture:

The increased yields of the demonstration plots over the check plots are quite significant. This is not unexpected where improved varieties and recommended fertilizer rates are used over long standing local crop varieties and fertilizer rates.

I must point out that we have not demonstrated improved water management in these trials. We simply have not been able to control and monitor the water applications sufficiently to gather appropriate data to show this aspect of crop production.

There were no field days held in Bara; either the time was judged incorrect or the political agent decided that the likelihood of disturbances was too high. The evaluation team could not visit the plots and did not talk with the agricultural officers who had been assigned.

Problems in Implementation

FATA Agriculture was omitted from the activities of the SCS agriculturalist during the first year of the project. He attempted to work through FATA DC, which reflected a desire on the part of the project to have both components (watercourses and agricultural demonstration plots) implemented by FATA DC. Even the funds for the demonstration plots were handled through FATA DC, with releases, later in the project, from FATA DC to FATA Agriculture. USAID made funding available for the demonstration plots in August 1984; FATA DC funded the activities before that time.

In March 1984, the Extra Assistant Director for Agriculture (EADA), supervising all agricultural activities for that portion of Khyber Agency, wrote to the project officer of TADP and asked for assistance -- vehicles, tractors, thrashers, equipment, and support. The project officer responded that TADP was not set up to fund agricultural equipment, or the Department of Agriculture, but that it could support demonstration activities at Bara, and hoped that FATA Agriculture would cooperate.

TADP attempted to free a FATA DC employee to be full time on the demonstration plots. A long series of letters was exchanged between TADP and FATA DC over the provision of a counterpart for the SCS agriculturalist. Finally, FATA DC placed the requirements on FATA Agriculture, which turned to TADP for support, transportation, and TA/DA (local per diem and subsistence allowance when working in the field). TADP did not establish a working relationship with the Agriculture Department until May 1985, 18 months after the arrival of the agriculturalist in country. In May, with the active involvement of USAID agriculturalist Umer Mohammad, TADP agreed to support for FATA Agriculture staff, directly assisting in the demonstration plot program.

With no water management capacity, the project leveled land and grew winter wheat and summer vegetables in programs that resemble Department of Agriculture activities when it is funded and supported. The concerns of ECNEC were realized in the

implementation of the subproject -- all activities could have been carried out by staff of FATA Agriculture with the support of a short-term TADP program developer and oversight by the USAID.

Future Agricultural Projects in TADP

FATA DC is an engineering agency in water resource development. It has exhibited, to date, little interest or capacity in the utilization of water on farmers' fields. The Department of Agriculture has that capacity and responsibility. Supported with transportation and TA/DA, encouraged, and provided technical assistance that helps transfer knowledge, the department can actively and enthusiastically support agricultural development programs on irrigated land. The original TADP attempts in this field were with an agency (FATA DC) that was not qualified or interested, a location (Bara) where water could not be managed, and technical assistance (SCS) that was not experienced in arranging and supporting overseas agricultural development. This should not stop TADP from doing it correctly the next time around, since support to water resource development should be complemented by support for the efficient utilization of water for improved agriculture.

CASE STUDY:

SADDA-MARGHAN ROAD

Summary

The TADP Project Paper lists the following as project outputs from the Road Construction Component:

- Increased capability of the Provincial C&W Department to design and build roads;
- 25.6 km of gravel road built between Sadda and Marghan in Kurram Agency;
- 40,000 people in Kurram Agency with more reliable access to regional markets, health facilities, and educational centers; and
- 100 km of additional roads constructed into isolated, underdeveloped areas or in support of the further development of already developed areas.

In the development of the Project Paper, funds were allocated for the construction of 125.6 km of new gravel roads in the tribal areas. One road, the Sadda-Marghan road (25.6 km) in Kurram Agency, had already been identified as one of the major development priorities by the political agent in Kurram Agency. The remaining 100 km of roads to be financed under the project were to be identified by the end of the first year of project implementation.

Implementation Chronology

The Sadda Marghan road was originally included in the GOP's Annual Development Plan (ADP) for 1981-82 and 1982-83. The PC-1 was approved in 1982 by the Provincial Development Working Party (PDWP). Plans and profile were drawn by Kohinoor Engineers (Consultant) of Abbottabad.

The cost estimate for the construction of the subject road (15.1 miles in length) was Rs.10.894 millions. The Provincial C&W Department had started the road construction work. Rs.0.845 million had been spent before USAID got involved in funding the road, through TADP.

March 23-27, 1983

Road plans and location were reviewed in Peshawar. On review by AID engineer, designs were disapproved because of too many discrepancies.

April 6, 1983

Draft reimbursement agreement submitted.

May 4, 1983

EAD sent approved PC-1 in 3 volumes to USAID.

May 25, 1983

At PDWP meeting, the scheme was approved at a cost of Rs. 15.025 million including land acquisition and Quomi Commission (latter to be paid by the federal government).

June 4, 1983

PC-1 forwarded from EAD to USAID.

June 6, 1983

P&D requested release of funds to start work.

June 19, 1983

EAD requested AID to begin implementation.

June 22, 1983

Reimbursement agreement signed by Director. PIL #3 issued.

July 20, 1983

Funds not yet released to the project.

July 27, 1983

Rs. 10.175 million sanctioned for road construction (but, reportedly as a result of bureaucratic delays, funds were not actually released to the project until October 1983).

August 10, 1983

Nominated contractor for mile 8-9 had completed one-half of cutting work but had stopped work because he had not been paid. He stopped work in early July. Mile 1-7 not yet awarded. Contractor on miles 10-13 was working heavily (2 bulldozers and 35 men). Rollers could not be delivered for compaction as the mile 1-7 had not yet been awarded.

January 22, 1984

Meeting at C&W regarding proposed changes in the reimbursement agreement. This resulted from the fact that the original design and survey work were found to be badly done by an outside Pakistani contractor and did not entirely relate to the field conditions. More detailed plans and specs were to be redone for the USAID implementation procedure under FAR.

January/February 1984

Work about closed down as a result of cold weather.

February 20, 1984

Nominated contractor awarded the first 7 miles of road for construction.

February 1984

A dispute over the alignment of the road through the village of Tindo at mile 3-4 continued to present difficulties for road construction.

May 9, 1984

New delays when a nominated contractor was killed.

May 11, 1984

Meeting with chairman of P&D, FATA Section to discuss implementation problems. Delays that put the project behind schedule included:

- Alignment issue at Tindo;
- Substandard work by one nominated contractor and his lack of cooperation on mile 8-9 section; and
- Lack of road building machinery.

November 7, 1984

New completion dates extended to June 30, 1985. Cited reasons for delays include:

- Lack of road making machinery;
- Shortage of laborers;
- Realignment issue at Tindo village; and
- Contractor at mile 8-9 was reluctant to resume work until March 1985.

December 27, 1984

In November, earthwork was started from mile 1-7 but was stopped by locals until Tindo realignment issue was resolved. RAO requested GOP to expedite resolution of the issue.

January 6, 1985

SDO C&W requested USAID final inspection on mile 10-15 subgrade for reimbursement. (It was apparently rejected at USAID inspection on February 3, 1985.)

May 6, 1985

FATA set a meeting for Chief Engineer (Dev.), Commissioner Kohat and XEN C&W for 11 May to review the road implementation problems. As a result, XEN C&W was to submit new alignment and drawings for structures within 2 weeks.

June 30, 1985

Details of required changes were received by USAID. Review comments returned to P&D. They still lacked important basic information.

September 22, 1985

The nominated contractor for mile 8-9 visited USAID Peshawar with the following complaints:

- C&W plans record neither original ground levels nor finished grade. Earthwork quantities are therefore only guessed at resulting in underpayment to the contractors.
- The contractors are not provided with control points and benchmarks, offset lines, or cut and fill stakes to work with. The C&W staff are usually not available on site to direct the contractors in what to do or not to do, resulting in much rework and loss to the contractor.
- Payments to the contractors are not made on time.
- Neither the contractors nor the C&W Department has the capacity to arrange for the needed road-making machinery.

September 2-4, 1985

AID engineers inspected the road and submitted a report detailing the deficiencies. No work was in progress at that time.

October 6, 1985

C&W and AID met to explore ways and means to solve delays on progress. Items discussed:

- Lack of road machinery: (C&W will provide within a week);
- Design changes: (XEN has almost completed a total redesign of the whole road including new alignments, cross-sections, profiles, and details of structures. He promised to complete his review and have it to AID within 2 weeks);
- Inspection procedure: (USAID to draft a description of the means and methods of inspection and what AID will expect on the areas where there are problems, that is, cement, mortar in structures, compaction, and sub-grade materials).

October 21-24, 1985

A combined team of USAID and C&W met and visited the road project site and jointly agreed on recommended changes needed and requirements for completion of the road. These changes will be incorporated in a revised FAR agreement and include the following actions:

- The FAR will be revised to a new total estimated cost of Rs.13.517.867 from the previous estimate of Rs. 13.177.121. The increase is the result of agreed-upon changes in the numbers and sizes of culverts and retaining wall structures required.

- The FAR will be amended to provide USAID reimbursement on a fully completed mile basis, that is, 15 fixed payments.
- C&W will provide 3 road rollers for completion of the project. These will be made available to the contractors by November 2, 1985.
- C&W will provide full-time construction inspection by a sub-engineer, and USAID will provide a vehicle for his transportation until C&W can provide the transportation.
- The general technical changes agreed upon by USAID engineers and the C&W Chief Engineer, XEN, and SDO for construction completion include revised drainage and embankment specifications and numbers, and sizes and locations of culverts and retaining wall structures.
- The work will start on November 2 and is expected to be completed in six months as per C&W construction schedule.

Assessment of Implementation and Conclusion

The Sadda Marghan road project was started by the C&W Department in 1982 as part of its ADP. When USAID agreed to fund the project under the TADP, C&W planned to stop the work until USAID funds became available. The tribals did not agree to a stoppage of the work and forced C&W to continue. However, even after USAID funds became available, there have been almost continual disputes, work stoppages, and delays in the construction effort. These include disagreements over road alignment, lack of construction machinery, lack of understanding on road design and specifications, untimely payments to the nominated contractors, lack of experienced supervision by C&W staff, and inspection procedures used by USAID with required adherence to specifications in conformance to the FAR agreement. There have been numerous meetings and correspondence between all parties involved to try to resolve the problems, but with little success. Although recent agreements between C&W and USAID appear to have alleviated most of the technical problems, such as lack of machinery, poor supervision, and labor shortage, it is not clear that these agreements will be entirely effective or that the local political situation will remain sufficiently calm to permit an orderly completion of the road within the rescheduled time of May 1986.

USAID has altered earlier procedures and in November 1985 was providing transportation to C&W engineers on site and accepting revisions to the FAR, all in the interest of completing this long overdue road. In spite of the likely continued differences among the tribal groups along the Sadda-Marghan road, this augurs well for the eventual completion of this subproject.

CASE STUDY:

ROAD MACHINERY PROCUREMENT

Summary

In March 1983, USAID, in consultation with C&W, began considering a list of road-making machinery that could be used for the planned road construction activities in TADP. In March 1984, in a meeting to review the project's progress, it was jointly decided that to ensure the effective implementation of the TADP road projects, additional road construction equipment should be purchased to supplement C&W's available equipment. A project to purchase road construction machinery was agreed on and a PC-1 prepared to initiate the project.

Implementation Chronology

March 27, 1983

Chief engineer (USAID) recommended an equipment list of basic road-making machinery.

March 28, 1984

Chief Engineer (Dev.) C&W transmitted PC-1 for Rs. 10 million to FATA for the following machinery:

- 4 road rollers (local purchase)
- 2 water tankers (local purchase)
- 2 D-7 dozers
- 2 motor graders

May 7, 1984

Estimated cost for equipment revised to Rs. 16 million. C&W requested to amend PC-1.

July 4, 1984

PC-1 approved by USAID.

July 11, 1984

PIL #12 issued that conditions precedent were satisfied.

July 12, 1984

Revised PC-1 for Rs. 16 million submitted to P&D.

July 16, 1984

PDWP approved increased cost to Rs. 16 million.

August 27, 1984

Chief engineer C&W was notified by USAID that local road rollers were not eligible for AID financing because they had Chinese components.

August 30, 1984

EAD/USAID meeting on revised PC-1 approval status and explanation that all equipment to be purchased in United States.

September 18, 1984

USAID requested chief engineer C&W to further amend PC-1 again for all equipment to be purchased in United States (Revised cost to be determined).

September 25, 1984

New cost estimate prepared based on all U.S. procurement Rs. 19.040 million (US \$1,360,000).

October 15, 1984

RAO sent revised cost estimate to chief engineer (Dev.) with request to amend PC-1 again to US \$1.36 million.

October 24, 1985

Chief engineer, Dev., has recommended not to purchase the equipment at such high cost. A meeting with P&D scheduled for mid-November to decide this issue.

November 15, 1984

Meeting to review Special Development Program: C&W to prepare a list of required equipment that could be purchased on local market. Also another list of items to be purchased from non-Communist countries.

January 2, 1985

A tentative list of equipment received from technical officer, C&W:

Road rollers	(4) - local purchase	Rs.1,696 m
Water trucks	(2) - outside	Rs. .0808 m
Motor grader	(2) - outside	Rs. .3344 m
D-7 dozer	(2) - outside	Rs. .404 m
Dozer rippers	(2) - outside	Rs. .0562 m

January 6, 1985

RAO sent chief engineer C&W the AID rules for procurement.

February 4, 1985

Chief engineer, Dev. C&W to RAO: Requests water trucks cost be reduced by ordering only the chassis from the United States. A local tank will be purchased locally and installed.

February 27, 1985

O/Engineering reviewed equipment specs and revised cost. Detailed specifications for use in the Invitation for Bid (IFB) were furnished. Total cost now \$978,154.

(4) rollers	\$346,781
(2) D-7 dozers	326,572
(2) graders	216,000
(2) truck chassis	88,800

TOTAL \$978,154

(Includes 10% spare parts and 10% inflation)

March 25, 1985

Draft PIO/C prepared. USAID cannot process until an approved PC-1 is received from GOP for the revised dollar funding.

March 28, 1985

AID sent PIO/C for C&W signature and requests amend PC-1 if necessary.

April 4, 1985

C&W signed PIO/C and DRAO sent it to USAID Islamabad for approval.

April 24, 1985

DRAO notified Secretary C&W that their signature on the PIO/C was not by an authorized GOP representative. A request from the approved GOP representative will be needed to purchase the equipment.

May 14, 1985

USAID preparing IFB for procurement.

June 10, 1985

P&D has now signed the PIO/C.

June 30, 1985

RAO notified P&D that a request has been forwarded to AID/W to publish the IFB.

July 26, 1985

Cable sent to AID/W requesting review of technical specifications and preparation of documents for purchase of equipment through a host country contract. Procurement procedures through the Pakistan embassy in Washington, D.C. outlined.

July 29, 1985

USAID/Islamabad sent copy of PIO/C and technical specifications to USAID/W for review before IFB is prepared and issued.

August 19, 1985

Cable: GOP requests AID/W assistance in purchase of equipment through Pakistan embassy.

August 30, 1985

Cable from AID/W; review in progress. Completion expected mid-September. They request a Wang diskette with complete technical specifications.

September 4, 1985
Wang diskette sent to AID/W.

September 23, 1985
AID prepared a draft telex to Pakistan embassy in Washington requesting issue of tender documents in cooperation with AID/W.

October 14, 1985
AID/W completed review of specifications. List of potential suppliers and bid schedule prepared with processing for issuance of IFB documents.

November 3, 1985
Cable USAID to AID/W: 1) Per telecon of 10/31/85, IFB and specifications review completed and ready for issuance. 2) Instead of the procurement being done through Pakistan embassy, it is now to be done by a procurement agent under an IQC arrangement. 3) Requests copies of AID/W revised specifications be sent to the Mission.

Assessment of Implementation

The process of agreeing on the components to be purchased locally (to expedite procurement) or in the United States, the preparation of technical specifications for requesting bids, and the procurement procedures to be used in satisfaction of USAID procurement regulations have taken an inordinate amount of time. Sixteen months at the mission level were required to agree on component purchase source and specifications and another three months for AID/Washington review and revision of specifications and issuance of the IFB. Changes are still being made in the procurement process, and it is not known at this writing when the actual procurement will take place, or the anticipated date when the equipment will arrive on the project.

Conclusion

C&W has failed to provide adequate road construction machinery from its existing stock or to arrange the availability of the machinery from other sources for use on the Sadda Marghan road construction. In addition, the arrival on the project of the AID-procured equipment will be long after the scheduled completion of the Sadda Marghan road. USAID procurement of this road construction machinery has taken too long and has only added to the failure of the project to meet the desired quality of construction and progress schedule. Furthermore, it is unclear at this point, considering the possibility of the remaining approved roads under the TADP being implemented by using outside contractors, if USAID-procured equipment is likely to be used as originally intended. However, C&W can use the increased capacity on other road projects in the tribal areas.

CASE STUDY:

ADDITIONAL ROADS

Summary

The Project Paper for the TADP planned for the construction of 125.6 km of new gravel surfaced roads. One road, the Sadda-Marghan road (25.6 km) in Kurram Agency, had already been identified. The remaining 100 km of roads to be financed under the project were to be identified by the end of the first year of project implementation. Possible candidates were included in a list of 63 different road projects in the tribal areas covered in the Special Development Plan of the NWFP.

Implementation Chronology

March 10, 1984

USAID project officer and project engineer went to Wana, in South Waziristan Agency, to identify some roads and rural development schemes for inclusion in TADP. The APA Wana, SDO-C&W, and his staff proposed the following roads:

- o Wana Karikot-Shin Warsak - 15 km;
- o Karabkot-Thatti - 12 km; and
- o Wana Dhana - first 15 km.

June 8, 1984

USAID engineer visited Wana to review C&W's progress on surveys and design of the roads. As the first 12 km of the Wana Dhana road was already approved to be metalled under the ADP of the GOP, it was recommended that this portion not be included in TADP. In lieu of this, it was suggested that the Thatti-Ghwa Khawa road, which the APA had previously suggested as an alternate route to the Karabkot Thatti road, be substituted. This was to be further discussed with all parties concerned.

June 28, 1984

AID requested P&D approval of the following roads for funding and implementation under TADP:

- o Shashoo-Chinarah-Toora Wari - Kurram 58 km;
- o Wana-Karikot-Shin Warsak, S. Waziristan 15 km;
- o Karabkot-Thatti, S. Waziristan 12 km; and
- o Wana-Dhana, S. Waziristan 30 km.

(The Chief Engineer, Dev. C&W, had pointed out that the proposed roads in South Waziristan had not been approved by P&D and could not yet be proposed.) A meeting was called for July 17, 1984, to discuss the composition of the additional 100 km of roads to be included in TADP.

July 30, 1984

USAID engineer visited Wana helping C&W with the design of the Wana Karikot-Shin Warsak road. Design underway since March and expects completion in August for PC-1 preparation.

The Thatti road to be extended from 12 km to 20 km. It is to be designed by an A&E firm.

The Wana-Dhana road changed from 33 km to 35 km. Also to be designed by an A&E firm.

USAID project officer requests revision to the PIO/T for the A&E design of these roads to incorporate the changed lengths.

July 31, 1984

P&D approved three roads:

- Sholam (Dhana) to Musa Nika 35 km;
- Wana-Karikot-Shin Warsak 15 km; and
- Karabkot-Thatti 12 km.

The road from Sholam to Musa Nika was deleted from the ADP and included in the TADP.

The Shashoo-Chinarak-Tora Wari road in Kurram Agency was not approved by P&D.

August 29, 1984

The PC-1 for the Wana Karikot-Shin Warsak road was reviewed by USAID Islamabad. The C&W design and cost estimate were not up to required standards, and it was recommended that they be redone by an A&E firm.

October 21, 1984

Request for proposals advertisement placed in newspapers at Rawalpindi, Lahore, and Karachi, for the two roads Karabkot-Thatti (20 km) and Sholam-Musa Nika (35 km). Closing date is November 26, 1984.

December 5, 1984

Evaluation board met for selection of A&E. Negotiations to begin December 13, 1984.

December 13, 1984

RFP amendment on the Wana-Karikot-Shin Warsak road (Tribal Roads II) extended bid closing to January 20, 1985 and a pre-proposal conference set for January 6, 1985.

March 12, 1985

Evaluation board selected the A&E for the Wana Karikot-Shin Warsak road (18.3 km).

March 30, 1985

P&D agreed to include the Boya Ramsak Bridges Road in North Waziristan in TADP (25 km).

April 4, 1985

Surveys underway by Engineering Consultants on Karabkot-Thatti road and expect to start on Wana-Dhana road in a day or two.

April 24, 1985

USAID requested P&D comments on adding the Saidgai road (12 km) in North Waziristan to the TADP. The political agent of North Waziristan had met with P&D and AID previously to request the road.

May 6, 1985

P&D approved addition of the Saidgai road to the TADP.

May 8, 1985

USAID notified to request the A&E to survey and design the Saidgai road as per the specifications of the Wana Karikot-Shin Warsak road.

June 10, 1985

P&D officially approved the three roads in South Waziristan and four irrigation schemes.

June 18, 1985

Data collection and surveys in progress by Engineer Associates on Wana Karikot-Shin Warsak road.

Seven different survey parties are engaged in the Wana-Dhana road by Engineering Consultants.

July 8, 1985

Status of A&E survey and design of roads:

Wana Dhana and Karabkot Thatti Roads

The A&E consultant M/S Engineering Consultants (EC) has contracted to survey, and prepare designs, cost estimates, and drawings. Expected completion in November 1985.

Wana Karikot Shin Warsak Road:

The A&E firm M/S Engineering Associates (EA) has been contracted to survey, and prepare designs, cost estimates, and drawings. Expected completion August 1985.

Boya Bridge to Razmak Bridge and Saidgai Road

Cost proposals for survey, design, drawings, and cost estimates have been invited from the selected A&E firm. Expected completion is February 1986.

September 30, 1985

Draft amendment to PIO/Ts have been prepared to change both A&E contracts to a host country contract for the construction services phase.

October 10, 1985

DRAO reported that USAID had agreed that construction services for the roads designed by EA and EC will be by host country contract. The Office of the Regional Legal Advisor in Islamabad was requested to issue change orders to both consultants that would implement this change.

Issues

The evaluation team feared that the local political situation would not allow the use of outside contractors on these roads. The APA had not agreed, at the time of the team's visit, to outside contractors. Construction will entail the destruction of orchards and relocation of houses with attendant resource loss. The design specifications for the roads were far more (in width, base, shoulders, etc.) than the XEN, C&W would have used if the roads were funded by the GOP. Overall, the evaluation team had little confidence that construction would actually go forward as planned, under a host country contract, completed by outsiders to the tribal area with no local protection from a nominated contractor.

The requirement to have all the selected roads designed by an A&E firm was based on the inability of C&W to accomplish its designs to AID standards. The use of AID specifications also presupposes that the construction must be performed by an outside contractor under the supervision of the designer A&E firm. This raises several questions:

1. Under the traditional systems for contracting for construction in the tribal areas (nominated contractors), will the tribals agree to having an outside contractor perform the work?

2. Can the political agent get unanimous agreement from all individual land owners not only to allow the contractors to perform, but also to not interfere with construction when it involves destruction of their walls, house or orchard?

3. Are the roads in a secure enough area where outside contractors can work?

4. Are the specifications for the A&E-designed roads appropriate for the initial improvement activity in opening up new areas?

CASE STUDY:

RURAL DEVELOPMENT SCHEMES

Summary

The Project Paper description for this subproject anticipated the completion of at least 20 small-scale self-help rural development activities in various parts of the tribal areas in support of area development schemes. Rs. 2.5 million were earmarked to fund this subproject. The small-scale village improvement projects are selected by or with the approval of the political agent and implemented with the assistance of the Provincial LG&RD Department.

Implementation

February 23, 1983

GOP approved PC-1 sent to USAID that was for two components:

- Research and Evaluation Unit.
- Supportive Rural Development Program in FATA.

Under the Supportive Rural Development Program, it envisioned the creation of a supplementary development fund for financing rural development schemes that support a particular area development program. No individual schemes were identified in this PC-1 as they were to be picked after the project gets underway and particular needs identified.

June 6, 1983

USAID sent a copy of the Project Paper to the Local Government and Rural Development (LG&RD) Department for its use in preparing project schemes. Funds are to become available for RD projects in July 1983.

August 22, 1983

USAID requested Director LG&RD Peshawar to contact the political agent Khyber Agency for a list of potential RD projects.

August 23, 1983

USAID issued a criterion for selection of RD projects under the Supplementary Development Fund.

September 3, 1983

A first draft of a proposed reimbursement agreement was sent to USAID Islamabad for review and comment. It identified only three possible RD schemes (a school, a teacher's quarters, and water system at Shamkai village, on the Sadda-Marghan road) and arranged for additional elements to be identified in future PILs.

During 1983 and early 1984, the USAID project officer made several visits to Kurram and Kyber Agencies to promote development of a list of RD projects to be funded under TADP.

April 16, 1984

LG&RD submitted a request for release of Rs.2.750 million for financing 17 RD schemes. P&D requested release of funds.

USAID reviewed 12 schemes in Bara area. USAID redesigned the plans and submitted a standard acceptable design for use in all schools to be funded. The schemes were then approved based on the AID revised designs, and included in a FAR agreement.

April 19, 1984

RAO/Peshawar sent to USAID Islamabad a revised edition of the reimbursement agreement for the first 16 RD projects to be implemented by LG&RD.

April 23, 1984

USAID Islamabad proposed a change in the draft reimbursement agreement on inspection procedures.

May 13, 1984

USAID reviewed construction plans for four Kurram schools. Costs were increased to incorporate added reinforcement for seismic (anti-earthquake) designs. The new costs to be included in the FAR.

May 13, 1984

Political agent Khyber Agency sent letter dated May 5, 1984, requesting release of funds and cited previous request of March 19, 1984. USAID project officer complains of the long time required by AID to process documents. The reimbursement agreement had been in Islamabad for 2 weeks.

May 20, 1984

USAID advises project officer that three changes regarding inspection reports and procedures in draft reimbursement agreement made.

May 30, 1984

Completed reimbursement agreement sent to RAO and then to LG&RD for signature. (Original text drafted in September 1983 and had been through several reviews. Final clearance process started April 19, 1984.)

June 5, 1984

USAID approved a Rs.1.0 million increase in allowable funding for LG&RD. The original PC-1 to be amended for the increased funds.

July 24, 1984

Reimbursement agreement signed by Acting Director.

July 29, 1984
PIL #14 sent to EAD (\$146,894.14).

July 30, 1984
Signed original copy of RA for Kurram & Khyber Agency projects sent to LG&RD (16 projects). Rs.1,909,624 (US\$ 146,894.14).

November 22, 1984
New revised PC-1 submitted by LG&RD for the added Rs. 1 million.
New cost is Rs.3.75 million.

December 27, 1984
LG&RD requests political agents of Kurram and Khyber Agencies to submit new schemes for Rs.0.5 million each.

January 22, 1985
LG&RD requests political agent in South Waziristan to also submit new RD projects.

May 19, 1985
Chief FATA P&D to political agent Khyber: Work out problems with AID before work starts.

May 22, 1985
LG&RD requests AID approval for 10 schemes in South Waziristan.

June 5, 1985
PIL #21 sent to RAO to identify and provide AID approval to 10 building schemes in South Waziristan (#131,702).

June 15, 1985
Secy. P&D to RAO: Tribal area contracting methods cannot be changed. Nominated contractor will be used. LG&RD and the political agent is to ensure that work is to be completed according to specifications. Requests USAID also assist in implementation efforts.

July 16, 1985
RAO to Secy P&D: AID concern was only that quality work meeting AID requirements be done. However, AID has no objection to current contracting methods.

July 17, 1985
AID informs LG&RD that, in regard to the PC-1 for Rs.2.75 million and PILs #14 and #21 wherein US\$ 278,596 was committed to finance 26 schemes, SAFRON has informed AID that no release of funds can be made until PC-1 is amended to reflect new revised funding.

July 29, 1985
LG&RD sent revised PC-1 for Rs.3.75 million to USAID on November 22, 1984. Photocopy again furnished for necessary action.

September 12, 1985
USAID team inspects schools in Bara.

September 22, 1985

USAID's comments on school construction deficiencies sent to Secretary LG&RD with a request to have defects corrected. Also suggested that USAID will formulate materials for pre-construction conferences with LG&RD staff and contractors.

September 24, 1985

Per meeting of SDP on 9 September, a revised PC-1 is to be submitted to include South Waziristan schemes plus escalation.

September 29, 1985

Draft revised PC-1 for 26 RD schemes received. New cost is Rs.5.608 million (12) projects in Khyber, 4 in Kurram and 10 in South Waziristan).

October 3, 1985

A meeting was held with the staff of LG&RD and the contractors for the schemes in the Khyber Agency. USAID distributed copies of the approved designs, specifications, and cost estimates and explained the necessity for the construction to follow them in detail. The contractors then voiced their complaints of inadequacy, too low rates, lack of materials and equipment, etc., and stated that if AID insisted on such standards they could not proceed with the work.

Assessment of Overall Implementation

This component of TADP was planned around a special fund established to finance discrete, small-scale, self-help development projects to be located in the geographic areas where other TADP-financed activities were to be implemented. Although there was a wide spectrum of types of projects that could be considered for funding under this component, the only schemes that have been selected to date are schools, teachers quarters, and boundary walls around schools.

AID received a PC-1 for this component in February 1985 with funds to become available in July 1985. The identification and selection of acceptable projects was very slow. A reimbursement agreement for 16 schemes, 12 in Khyber Agency and 4 in Kurram Agency, was finally signed on July 19, 1984. About 16 months were spent on the identification of the schemes and the preparation of their designs and cost estimates. Even then, funds were not released to the political agents until several months later. The time delays in the processing of project documents between the various approving departments and governments have proved to be costly to project implementation timing.

Implementation of the projects is being carried out under the supervision and direction of the LG&RD Department. The political agent nominates local contractors to perform the construction. This is the normal procedure for doing work in the tribal areas. However, AID has imposed a much higher standard to

be followed, with detailed plans and specifications to be adhered to, and periodic inspections by AID engineers to ensure that the quality of construction and materials used are according to the plans and specifications. This was all supposedly understood by those who designed and approved the project. But it is proportionately less understood the further down the bureaucracy one is or the further away from the settled areas of the country the project is located.

Construction has been started on several schemes in the Khyber Agency and on four in the Kurram Agency. From latest inspection reports from AID engineers, none is of acceptable construction for reimbursement by AID.

Issues

1. Are the type of projects selected to date appropriate for construction utilizing the contracting method common in tribal areas under FAR requirements?

This question arises as a result of a meeting with the nominated contractors currently constructing the schools in the Khyber Agency. They say that they cannot meet AID standards for the construction. They do not have the resources or equipment to construct to that high a standard, suggesting that it must be done by outside contractors.

2. Is AID demanding too high a standard for construction in difficult areas? Do the inspections take into account the real-world problems of working in these remote areas? Should they? Is it an AID school being built to acceptable engineering standards, or a tribal school where none had been available before?
3. Is LG&RD Department adequately staffed with experienced personnel to monitor properly the construction and to provide assistance to the nominated contractors in meeting construction requirements?
4. Was adequate planning and research done by USAID on implementation capabilities of LG&RD and nominated contractors before entering into such schemes?
5. Should this project component be dropped or redesigned?

Note the following quote from the Project Paper regarding this component:

This activity will be carried out on an experimental basis beginning in the second year of project implementation. The use of this Fund may suggest new directions for future project activities. It may also serve as a catalyst for local participants as to what a

foreign donor, in particular, A.I.D., is able to provide to the region. However, if it is found that administration of the Fund and implementation of the activities are excessively time-consuming and create major problems, this effort will be discontinued and the funds reprogrammed to support other project components.

Recommendation

Implementation of this sub-activity has failed to meet any of the above issues and has been a failure in meeting the project goal and purpose. It is therefore recommended that this sub-activity be dropped as it is currently designed and implemented. Alternatively, it could become a part of the redesigned project, included in an umbrella project component and PC-1, to be activated by a project coordination and review board decision, and implemented through the proposed SDU using the most appropriate contractors for the locations selected. We do not recommend FAR procedures for small rural development schemes in the tribal areas.

73
CASE STUDY:

THE RESEARCH AND EVALUATION UNIT OF TADP

Summary

The Research and Evaluation Unit was commissioned to support TADP directly. The PC-1 allowed USAID to expend funds for staff and operating expenses. An inexperienced analyst was hired and two additional staff employed to begin the compilation of data on the tribal areas.

The initial and major endeavor of the unit was a sample survey of farmers at Bara, in conjunction with the construction of the first five watercourses. A household survey was conducted of farming practices. In addition, a survey was conducted of the need for education, which led to the generation of a PC-1 and reimbursement agreement for 12 schools and affiliated teachers quarters in Bara. The unit was also asked to provide economic analysis of alternative irrigation sites for TADP selection.

The results of the unit are not impressive. The junior level of the "senior" economist, his lack of experience, the inability of the ARD office to provide technical upgrading, and the demands upon other project staff, which did not allow close supervision and direction, are obvious in the written reports. They were judged by the RAO, TADP project staff, P&D, and the evaluation team as not useful. The lack of the unit's effectiveness was a continuing issue with the ACS, who had given USAID carte blanche to manage research and evaluation to its own standards, but who did not see the value in what was requested or produced.

In retrospect, an independent unit responding solely to a USAID project officer, with no attachment to a GOP agency or department, is likely to run headlong into difficulties, even if the information collected is professionally analyzed and helpful in determining directions for operating agencies. TADP's Research and Evaluation Unit provided neither. It was disbanded in 1984 and has only recently resurfaced in a revised PC-1, this time in appropriate form working within the P&D Department.

Future Directions

A Research and Evaluation Unit directly attached to and supportive of the information and planning responsibilities of P&D for tribal area development would greatly assist TADP. This is the latest recommendation from the project, and one the evaluation team heartily supports. The unit needs to have real capacity, and the evaluation team has recommended that an expatriate advisor work directly with the SDU of P&D, which will handle daily TADP activities. The project should also fund micro-

computer technology (under order at this time with a 45-day delivery date), short-term assistance to allow the computer capacity to be matched with P&D and TADP requirements, and staff to handle the daily tasks of data entry and access.

Good information is one key to the identification, design, and completed implementation of subprojects in the tribal areas. That information is not available directly to USAID; it must be obtained by P&D, supported by USAID. In all its recommendations for the refocusing of this project, the evaluation team has highlighted the key role for a Research and Evaluation Unit integrated in a GOP agency. Without the eyes that can be provided by such a unit, assisted by the vision of a planner who knows what to look for and how to analyze the results, TADP will operate blindly, as it appears to have done in its early years of operation.

SCOPE OF WORK - QUESTION TWO

Evaluate technical assistance. Have the three long-term PASA advisors been effective in performing their respective project assignment by contributing to project achievements and goals? In what ways, if any, can better performance be facilitated? What future needs are there for technical assistance in terms of types of assistance required and level of current effort?

The Project Paper specifically called for a team of three professionals -- an irrigation engineer, an agronomist, and a geologist. These were provided through a PASA with SCS/USDA. The first two positions were programmed for three years in country, and the last, the geologist, was to serve only two years. Job descriptions were delivered to OICD/W in September 1982, and the chief of ARD stressed the need for the speedy selection of these technical advisors in a memorandum dated September 22, 1982, which stated: "The project cannot begin before arrival of the technical assistance team." The scopes of work for the three long-term technical advisors were developed in May 1983, and the advisers arrived in Pakistan in early October 1983.

In all three job descriptions, the overriding requirement was technical background. Although international development experience was desired, the technical qualification for each position was the main requirement. This may be a standard USAID practice, but the unique nature of the areas in which these individuals would have to work causes the evaluation team to question dominance of this requirement. In fact, the lack of effectiveness of the team (with some exceptions that will be noted later) could be directly attributed to the fact that none of the technical advisors had prior overseas experience. To adjust to working and living conditions in Pakistan, and especially working in the tribal agencies and frontier regions, requires at least six months if not longer. This time frame is a basic minimum for individuals who have had some years of experience working in difficult overseas environments. Technical advisors can operate in these areas if the Pakistanis assigned to the project are knowledgeable about the tribal agencies and can act as a buffer between, and facilitators for, the U.S. technical advisor and the implementing agencies and political authorities, or if knowledgeable counterparts from the implementing agencies are assigned to them. With the exception of two individuals (who had other principal assignments in Islamabad), the PASA team did not have this critical support. In the case of the agronomist, no counterpart was assigned to him. If the three PASA team members had had overseas experience and knew how to transfer knowledge, they might have been effective.

In examining the scope of work for each PASA team member, it appears that the work objectives outlined were feasible and could be done, given the time requirements. The scopes of work did relate to completion of the infrastructure construction portion of the project. Basically, the team members were asked to apply technical skills to the completion of infrastructure works and to assist in training of counterparts principally in FATA DC. However, the agronomist should have been working with the NWFP Department of Agriculture, but he did not until very late in his tour.

What were the results of this investment of six person-years? In the case of the agronomist, there was little observable effect (see the Agricultural Demonstration Plots Case Study). He attempted to develop demonstration plots in the Bara area but with little success. If measured by results accomplished, none is visible. In the case of the engineer, he performed primarily the role of inspector of works completed by FATA DC. He also reviewed engineering designs and possibly contributed to the over-design of at least one watercourse. Was this effective in contributing to project achievements and goals? The answer is doubtful.

The case of the geologist is different from those of the other PASA team members. He was responsible for assisting in the geological investigations needed before tubewells were to be drilled, first in Orakzai Agency and later Bajaur Agency. In the case of the former, his access to the areas in Orakzai was limited after only one trip to the agency. The political agent, Orakzai Agency, was not supportive of tubewell installation in the agency. In the case of Bajaur Agency, the political agent was enthusiastic about development activities in the agency and has assisted the geologist in gaining access to the area. The first USAID-supported tubewells are about to be drilled. The geologist had worked principally with FATA DC, and this organization was not willing to proceed along the lines he advised. This has led to delays in Bajaur (see Groundwater/Hydrology Case Study). Has he been effective? Given the constraints placed upon him from both FATA DC and USAID (delays in equipment procurement, for example), he has conducted some training and initiated the drilling of some tubewells. He has also assisted FATA DC in establishing its Hydrological Investigation Unit (which is now working in Gadoon) and has worked with FATA DC geologists in the field. USAID Peshawar extended his contract for an additional eight months and has refocused his assignment to provide geological investigative support for roads and surface water schemes.

Given that neither the agronomist nor the engineer was continued beyond the two-year assignment, and that the geologist is serving eight months beyond his two-year contract, raises some questions regarding the technical assistance component as originally designed in the Project Paper.

In sum, the total effectiveness of the PASA/SCS team has been minimal. Undoubtedly, both the agronomist and engineer gained experience in working overseas, but this learning experience has been costly for TADP.

How can better performance be facilitated in the case of U.S. technical advisors? Some indications have been given above but they should be stipulated. These include:

- Select technical advisors that combine both technical expertise with overseas experience that involves working closely with counterparts;
- Ensure that technical advisors have knowledgeable Pakistanis to work with them;
- Ensure that implementing agencies provide counterparts who can be trained by the advisors;
- Ensure that technical advisors spend their time either in the field or with the implementing agencies and not engaged in such management tasks as equipment procurement; and
- Place the technical advisors physically in the implementing agencies.

What types of assistance and what level of effort is required for the future? Given that future subprojects are still being proposed, it might be wise to see what the mix will be. There is no need for an agronomist since there are no agricultural projects in TADP at this time.

The technical assistance needs are dealt with in other portions of this paper. However, assuming that roads and water projects will be continued, there is a need for technical assistance in the field, but does this need require the services of an American engineer? Perhaps a well-qualified Pakistani could provide this assistance. If this were done, the problem of access to the tribal agencies and frontier regions would be alleviated since Pakistanis do not need the kind of clearance required for Americans. (This would be true in most cases, except when the political agent closes off an entire area of his tribal agency.)

SCOPE OF WORK - QUESTION THREE

Evaluate on-site accessibility and local cooperation. In what ways has site accessibility and local cooperation hindered the progress of the project? In what ways can these problems be improved or remedied?

The Project Paper states that problems of access and absence of local cooperation characterize the tribal areas. This discussion in the Project Paper is drawn from the Social Soundness Analysis prepared in early 1982. At the same time, The Social Soundness Analysis concludes by stating:

In the end it is recommended that the time is ripe, the people -- both Government and tribesmen -- responsive, and the framework plausible to introduce aid development projects. (p. 58)

In fact, the evaluation team could not visit Bara (Kyber Agency) because it was closed to foreigners. In addition, proposed schemes could not be visited in South Waziristan (as a result of a recent firing on and wounding of an A&E firm driver), and only the first three miles of the Sadda-Marghan road could be visited because of another problem stemming from a tribal dispute that occurred on this road near Tindo village.

In the reports filed by PASA team members and other documents in TADP files, numerous cases could be cited of denial of access to areas in which TADP was supporting projects. These incidents support the Social Soundness Analysis characterization of the tribal agencies but, as numerous government officials indicated in the interviews the evaluation team conducted, tribesmen can be responsive to development and government officials; in particular, the political agent can facilitate the implementation of TADP-sponsored projects.

Local cooperation is facilitated through (a) payment of a Quomi Commission, (b) the use of a nominated contractor, (c) the hiring of local security guards, (d) the use of local labor, and (e) the use of the "thumb print" process. (The thumb print process involves each tribesman indicating his agreement on a document by having his thumb print placed on the document.) However, all these activities only enhance the probability that local disturbance will not disrupt development implementation -- they do not guarantee that disruptions will not occur. It should be noted that it is not just disagreements between subkhels of tribes in the regions that can cause disruptions. The closeness of the tribal agencies to Afghanistan and the evidence that some tribes have members who have pledged loyalty to Afghanistan add complexity to an already complex situation. The case of the driver who was shot 15 km from the Wana camp in South Waziristan that was cited earlier may be an example of the Afghan factor.

One theory is that the three tribesmen who fired on the vehicle were part of a group of 250 tribesmen who had returned to the Wana area after having received guerrilla training in Afghanistan.

The evaluation team did not quantify the number of times that access was denied PASA team members. However, it appears that delays caused by other sources (implementing agencies, other government agencies, or USAID itself) are more prevalent than those caused by lack of local cooperation or denial of access. To remedy the problem of limited site accessibility and lack of local cooperation in current and future TADP subprojects. USAID should consider the following recommendations:

- Wiser selection based upon better knowledge of tribal areas;
- Greater involvement of political authorities (that is, political agents and deputy commissioners) in the decision-making processes that identify and implement infrastructure projects (discussed elsewhere);
- Formation of a Project Coordination and Review Board to overcome blockages (discussed elsewhere); and
- TADP should not support projects in agencies in which the political agent is not convinced the project can be implemented.

SCOPE OF WORK - QUESTION FOUR

Assess capabilities of implementing agencies. How capable are the implementing agencies? Do they have the institutional capabilities to carry out this project? How can they be improved through this project? Is there evidence that the project has contributed to the institutional growth of these agencies? In what ways might the existing administrative/organizational arrangements be modified to better facilitate or accelerate project implementation?

Five GOP agencies have some degree of responsibility for implementing TADP:

- The Federally Administered Tribal Areas Development Corporation (FATA DC), in water resource development (both surface and ground water), an agency under the auspices of SAFRON, the Federal Ministry responsible for special areas and the frontier regions;
- The Communications and Works Department (C&W) operating under the Planning and Development Department of NWFP;
- The Local Government and Rural Development Department (LG&RD), operating under the Planning and Development Department of NWFP;
- The political agents in each tribal agency, operating under the Planning and Development Department of NWFP, in a chain that extends to the commissioner of a region and the Home Secretary of NWFP for security-related responsibilities, and from the commissioner to the Planning and Development Department for development responsibilities; and
- The Planning and Development Department (P&D), which is responsible for the development budget and all donor initiatives, with the Additional Chief Secretary (ACS) chairing inter-agency meetings on development initiatives, such as the Project Coordinating and Review Board, suggested to oversee TADP.

Capabilities and recommended TADP support for each involved agency are summarized below.

Federally Administered Tribal Areas Development Corporation

FATA DC is a competent water resource agency, designing and building more than 100 small projects each year in the tribal areas. Several larger irrigation schemes, such as the Bara

headworks, stand as monuments to the design and construction capacity of this organization. There are weaknesses in institutional capacity, which are recognized by USAID and FATA DC. The Chairman made a direct request for USAID collaborative involvement in the design and implementation of water projects. FATA DC has arranged offices within its headquarters in Peshawar, and would welcome direct technical assistance that transfer new technology.

Two major subject areas could benefit from technical assistance. The first is in the design of FATA DC's surface irrigation structures. Much of the instruction of FATA DC engineers is from pre-independence texts. The SCS engineer in investigating the formulas used in calculating the designs for the Marghan irrigation scheme, wrote:

I have attached a reference supporting the scour depth formula used in design of the intakes and aqueduct. The formula seems to be based primarily upon observations taken at the Kabul River but is widely used by FATA DC. As for the formulas used in designing the falls and retaining walls, the primary reference is "Irrigation Engineering," by K.R. Sharma, which was published in India but is no longer available in Pakistan because of the ban on Indian texts. I reviewed the designs with engineers at FATA DC and they confirmed the figures used in this scheme.

USAID could provide a major service to the organization -- funds for training; several microcomputers with software now in use in the United States for water engineering design; and a well-qualified U.S. engineer, who has demonstrated the ability to help others learn to do their jobs better, given the opportunity to work directly with FATA DC engineers on their own special structure problems.

This same specialist, provided funds and support, could design courses for assistant and sub-engineers in field construction methods and appropriate inspection procedures. He could also assist with the introduction of standardized manuals and construction regulators (the standard-sized boxes used to ensure proper concrete mixtures, for example), which would improve FATA DC's field staff.

The evaluation team recommends that technical assistance provided directly to FATA DC not be charged with a responsibility to approve individual USAID-funded designs or completed structures -- this responsibility should be continued by the Engineering Office attached to the RAO/Peshawar -- but allowed to upgrade and assist all FATA DC projects and activities. The field visits of the team convinced its members of the underlying competence of the FATA DC's executive engineers and the

willingness of lower-ranked staff to design and complete useful surface irrigation projects. USAID should seize the opportunity to make the institution better through TADP resources.

The evaluation team analyzed the results of TADP's attempts to instill an understanding of and interest in geohydrological investigations as precursors to groundwater development. Whatever institutional capacity building can be expected will have been provided by the end of the third year of the SCS geologist's tour. With the exception of increased capacity in hydrology, there is no evidence that FAR design and inspection procedures (operating on approximately 2 percent of FATA DC's projects) provide any transfer of technology from TADP to FATA DC.

Equipment purchases to support FATA DC's water resource development program would be a wise investment of TADP funds. FATA DC in Bajaur agency, for example, has no concrete vibrator. Many other field staff reported less than the necessary numbers of concrete mixers, vibrators, survey equipment, measuring devices, etc. If the sub-engineers are expected to oversee several sites with ongoing construction, transportation would be of benefit to construction quality. If USAID wants better designs more rapidly completed, office drafting and duplicating equipment might assist this process. With the advent of the microcomputer age, for less than \$10,000, a fully equipped computer system with software that supports engineering, data base management, accounting, and word processing can be provided each executive engineer's headquarters. The computer age is upon Pakistan. With TADP support, there is no reason why FATA DC should not be in the forefront of this expanded technology.

Communications and Works Department

C&W is not as capable, organized, or well supported as FATA DC. There are basic requirements within the organization for increasing engineering skills, and providing better understanding of construction plans and construction inspection methods. Below the level of the assistant engineer, no transportation appears to be available. When USAID wanted action on the Sadda-Marghan road, C&W had no vehicles to use, and TADP was called upon for transport. C&W is an organization with little recent training in engineering design, limited resources, and less motivation than other organizations working in NWFP.

If TADP is to support road construction by C&W, it should take C&W's problems into account, and design support that, at the least, will get the TADP-funded roads completed. Overall, this support should include general training for C&W headquarters engineers, but a concentration on field staff -- using Pakistani A&E firms to provide training courses, manuals, standards, and local funds to construct standardized containers for the major tasks required in road construction.

The evaluation team would also encourage the purchase of road machinery, except that actions to date have not indicated that USAID does this particularly well in support of TADP. Providing direct funds to lease private contractors equipment for use on TADP-funded roads might be a more viable solution. Since rollers and concrete mixers are minimum requirements for road construction, these should be in adequate supply. C&W needs more help than TADP has funds. Support will need to be targeted to ensure that the increased institutional capacity is directly related to the completion of construction funded by USAID. There is no reason to believe that TADP as operated to date has provided any institutional development to the C&W Department in NWFP.

Local Government and Rural Development Department

This organization is designed to support local, self-help, community schemes. It is not an appropriate vehicle for FAR agreements, either in engineering capacity or belief that the standards called for by USAID are appropriate for remote tribal areas (even if these standards are well-established in settled areas of Pakistan). The evaluation team recommends against further construction through LG&RD, but would provide funds for area development or small rural schemes to the political agent, for use through whichever line agency or local body is most appropriate in the special circumstances of his agency.

Political Agents

In many other places in this report, direct involvement of the political agent in TADP has been recommended, not merely in meetings to stamp subprojects selected by technical departments, or to enter into the resolution of difficulties already well entrenched during implementation. Instead, the evaluation team has argued that the political agent should have clear "ownership" of some TADP projects, particularly those schemes that are not larger infrastructure, and be directly involved in the identification, arrangements, discussions, and implementation of water resource and road subprojects carried out by FATA DC and C&W.

The political agent does not need institutional development; he needs to be incorporated directly into the activities of the project, early and often.

Planning and Development Department, NWFP

This organization does not implement in a strict sense; yet it is the oversight and command body for the NWFADP, and it should provide that same service for TADP, through the generation of a Special Development Unit for that purpose. Whether a new SDU is commissioned for TADP, or TADP becomes one element of a

larger SDU, for example, a re-commissioned SDU for all area development projects in NWFP, TADP will need to undertake a program of institutional support. This support should begin with the resources and staff to make TADP function effectively -- a Research and Evaluation Unit, office staff support, computer assistance, and data analysis. Then TADP has the opportunity to transfer information management and planning technology to P&D, not just for TADP, but for all development activities in NWFP.

The analogy to FATA DC is relevant. An expatriate providing high-level technical assistance should not be restricted to working on 2 percent of an agency's activities -- those supported directly by USAID. Rather the USAID project provides the platform for assistance to upgrade overall organizational capacity.

There are new concepts at work in P&D, NWFP, as the debate over U.N. support to opium elimination continues. There is a willingness to assume direct oversight for area development projects that was unknown when TADP was first considered. The NWFADP broke the barrier, and recent discussions suggest that P&D would welcome USAID direct involvement in P&D, through the mechanism of support to an SDU, which provides guidance and daily direction to TADP activities.

The actual shape of support should be determined in direct discussion with P&D -- it knows the limits of its acceptance of outside involvement. It is likely that the original charter would be for an expatriate planner and information specialist to work with the SDU. As that individual is capable and competent, the solutions he proposes to TADP information and planning responsibilities could be transferred to other P&D activities. In time, this specialist would be asked to assist with a larger set of P&D activities. If TADP can support institutional capacity, no better or more important target exists in NWFP than the P&D Department.

SCOPE OF WORK - QUESTION FIVE

Evaluate the adequacy of institutional arrangements provided for project implementation. Are the institutional arrangements provided for project implementation adequate to insure project objectives and goals are met? In what ways is the level of coordination and quality of working relationships among A.I.D., Federally Administered Tribal Areas Development Corporation, Ministry of States and Frontier Regions, Planning and Development, Communications and Works Department, Local Government and Rural Development, Department of Agriculture, and the Economic Affairs Division contributing or hindering progress of the project towards goals and objectives?

As the evaluation team understands the situation, USAID through TADP assists in the implementation of TADP-supported projects by working with implementing agencies (FATA DC, C & W, LGRD, Department of Agriculture) and in doing so, must also work with staff agencies (SAFRON and P&D). In the case of the Economic Affairs Division (EAD), USAID/Islamabad deals directly with this important federal government agency. The implementing agencies either accomplish the work directly (the case of Go Go Wam, which FATA DC is completing) or by employing contractors (both nominated and others) -- the Sadda-Marghan road is being completed by several nominated contractors and their subcontractors. TADP also works with P&D through the ADP process. The state of relations between USAID (through TADP) and these agencies is examined below.

USAID/TADP and FATA/DC

This relationship might be described as vacillating but generally cordial, at least in the cases of the current and previous FATA DC chairmen. Relations with field personnel (executive engineers and below) have been generally good in spite of such problems as the retaining wall at Go Go Wam. FATA DC's chairman, however, stressed the desire for more of a team working relationship with TADP personnel, whereby TADP personnel work step-by-step in the design and implementation stages of the subprojects. This team approach, he emphasized, would eliminate such problems as the Go Go Wam retaining wall.

USAID/TADP and SAFRON

SAFRON serves only as a window for channeling funds to FATA DC. The FATA DC chairman indicated that before he could tap the Revolving Fund, SAFRON had to approve -- a step that could be safely eliminated once FATA DC and USAID/TADP had agreed on the project.

USAID/TADP and P&D

This relationship could be described as cordial. P&D has attempted to assist TADP in its endeavors and has tried to smooth USAID/TADP's relationships with C&W and the political agents/deputy commissioners. More systematic use of P&D's good offices might assist TADP in the implementation stage of its subprojects.

USAID/TADP and C&W

This relationship might be labeled "uncertain." From almost all reports, C&W is difficult to work with not only for USAID/TADP but for other line (implementing) agencies and staff agencies in NWFP. This agency has not improved its performance since 1947. Perhaps a classic case is the Sadda-Marghan road. It took a meeting between the USAID Mission Director and the Governor of the NWFP to move this agency along -- and the road is still not completed.

USAID/TADP and LG&RD

This relationship is insignificant. TADP does not have much activity with LG&RD since the subprojects that relate to the department are small and insubstantial.

USAID/TADP and Department of Agriculture

This relationship is the same as with LG&RD.

USAID and EAD

To the evaluation team's knowledge, TADP does not get involved in this relationship. USAID/Islamabad's relations with the agency are dependent upon the broader relationship between the U.S. Government and the GOP.

One additional relationship should be included -- that of USAID/TADP and the political agents/deputy commissioners in the tribal areas/frontier regions in which TADP works or wants to work.

USAID/TADP and Political Agents/Deputy Commissioners

These important officials have not been directly involved in TADP subprojects -- a recommendation that is made elsewhere in the report. They have been contacted to resolve issues between tribals and the implementing agencies. However, with the exception of one political agent (Orakzai), the others have been receptive to having TADP subprojects in their areas. In fact, at least one political agent (Bajaur) was very development-oriented. TADP should use this responsiveness to its best advantage.

Finally, to coordinate and manage the project better, a "home" in the GOP should be established for TADP. This important topic is discussed in Section A.

SCOPE OF WORK - QUESTION SIX

Evaluate the impact of the socio-cultural factors on the project implementation, keeping in mind the experimental nature of this project. Examine the validity of assumptions in the project paper social acceptability of project interventions, including the extent to which project 'builds the dynamic elements of project society' and 'respects socio-political characteristics' rather than challenging them. Are there ways in which project implementors, GOP or U.S., could more effectively relate to tribal leadership to ensure that project activities and sites actually reflect local priorities and will be supported and respected?

Socio-cultural factors include, the evaluation team assumes, the values and norms of the tribal societies and the behavior of tribals in pursuit of tribal values. Socio-cultural factors also include the organization and structure of tribal society from the extended family to the subkhel to the major tribal grouping, how the extended family relates to other extended families in the same subkhel, how subkhels relate to other subkhels, and how these groupings relate to outsiders, including Government of Pakistan officials. For USAID's purposes, how tribals relate to outsiders working in their territory is most important for project implementation.

Understanding the socio-cultural characteristics of tribals is critical to TADP's subprojects. It is a cliché to state that the tribal is very individualistic, but it is an important cliché. Not all tribals are alike. The most important unit in tribal society is the family, and the next most important is the subkhel. The importance of subkhel linkages will vary by tribe. Development work in the tribal agencies cannot be accomplished without the agreement of the families involved -- the laws of the Government of Pakistan do not prevail in many areas. Respecting the socio-cultural values and norms of tribal society is essential for successful project implementation.

So far, TADP-supported projects have experienced a minimum amount of tribal interference due to violating the socio-cultural norms and values of the tribals, but it appears that tribal conventions may not have been fully understood. For example, USAID does not pay for the costs of a Quomi Commission, nor does it encourage the practice of nominated contractors. These are important conventions and practices in tribal agencies and are part of the overhead costs of most infrastructure projects. Although logic may dictate that it is the tribals who will benefit from a new or improved road or water project, the tribals whose territory is used expect compensation for the use of their territory. If this compensation is not forthcoming, there is a high probability that the project will not be completed.

In response to an earlier question posed for the evaluation team (see the response to Question Three), we stated that the Social Sensitivity Analysis concluded that both government and tribesmen would be responsive to AID development projects. However, a caveat should be added. Tribals will be responsive as long as the project provides the compensation they expect for engaging in any activity in their territory. USAID is not providing a gift to the tribals; rather the tribals are giving the GOP/USAID the privilege of working in their area. Since the tribals wish to preserve the socio-cultural status quo, the opening up of their areas is seen by them as a high-risk venture. They are suspicious of government interventions and view them as basic violations of their rights.

As a result, what USAID attempts to accomplish through GOP implementing agencies in the tribal areas has to respect the socio-political characteristics of the individual tribal areas. This means that the traditions of doing business in the tribal agencies must be understood and utilized.

In the statement on the "Management and Coordination of TADP within the Government of Pakistan," the evaluation team suggests ways of working more closely with GOP officials, in particular, the political agents in the tribal agencies. This constraint of working in the tribal agencies through a third party, the political agent, is the only way USAID can ensure successful implementation of the subprojects of TADP. If he is involved in TADP decision making, the political agent will attempt to ensure that TADP subprojects are located in areas desired by the tribals and that the subprojects reflect local priorities. This official is already responsible for development projects -- GOP development funds are channeled through him. To make TADP more effective requires a more systematic use of the political agent and a better understanding of the specific areas (sites) in which TADP wishes to work. A revitalized Research and Evaluation Unit working within P&D could perform the kind of analysis and information gathering required for a more accurate understanding of the tribals whose territory is being invaded.

SCOPE OF WORK -- QUESTION SEVEN

Is the implementation of the fixed amount reimbursement system, particularly in relation to the revolving fund created by the government to meet the local costs of project activities, appropriate and effective as an implementation mode for this project?

There are several questions here, the first being whether FAR is an appropriate funding mechanism for projects in difficult circumstances, with unpredictable disturbances and second-best construction capacity. FAR has many useful aspects, one of the most important being the ability to dispense with the lengthy and, for the tribal areas, often politically impossible requirement for open competitive bidding. When applied inflexibly, as it was in the Bara example, FAR was a major contributor to the failure of TADP during its first three years.

But used wisely, and FATA DC has no problem with the basic requirements for agreed designs and costs and inspectable construction processes, it remains a valuable tool for dispensing AID funds. Inflexibility is not mandated in FAR agreements; it is placed there by those who interpret it inflexibly. As the regional legal officer stated, the FAR can be as flexible as the Mission requires. For TADP, more innovative procedures are required than have been used in the past.

The most important funding-process failing in TADP was the absence of an overarching project funding and management structure, a method of committing and moving funds as opportunities arose or disappeared. Such a unifying program could provide benefits to tribesmen that might quiet some of the demands for compensation and disruption of the ongoing construction. It could also be used as a bargaining and negotiating chip in agreements with tribal leaders to allow construction undisturbed. Had TADP supported the GOP to write one PC-1 in the first months of the project, which specified general guidelines for project funding and established a mechanism for committing undesignated funds when the opportunity arose, TADP would have some flexibility today.

But there is not just one single GOP entity that TADP supports, making the generation of one unified PC-1 not impossible, but more difficult than other projects supporting one implementing agency. As it is, each TADP activity must have a PC-1 and a supporting reimbursement agreement. With the average time to construction of 20 months (for those infrastructure projects not already underway when TADP entered the design process), FAR is a slow-moving process. Other area development projects in the Mission's portfolio have established far better solutions to the funding process for infrastructure and non-construction project support, and TADP should draw upon this

experience in the redesign. FAR has its uses and should be considered as one, among several, funding mechanisms that TADP can draw upon in the future.

The second question relates to the Rs 50 million revolving fund established by the GOP, administered by SAFRON in support of project activities. There appears to be little connection between the two funding mechanisms. No more than a pittance has been reimbursed for the six infrastructure projects that have reimbursement agreements. The revolving fund, until it runs out of money, allows FATA DC to begin construction when USAID signs agreements and SAFRON authorizes drawdown. This works with some delay, and the faster starts, as Go Go Wam Irrigation, may have used FATA DC's own funds in anticipation of the release of SAFRON's revolving fund allotments. The revolving fund works less well for those organizations not directly connected with SAFRON, and delays were common in funding release for the Sadda-Marghan road (C&W Department), worse still for the Rural Development Schemes (LG&RD). These delays may be attributed to internal mechanisms for moving money within the GOP rather than failing to release funds from the SAFRON revolving account. Other area development projects have suffered from similar difficulties -- money flows to support extra-budgetary activities with a glacier pace.

If the GOP did not advance the money to begin FAR-approved projects, USAID would need to do so. The establishment of the GOP revolving fund has not had a significant impact on the project in its first three years. USAID could provide upfront money for project activities should that be required. It would be a preferred method for non-construction activities that should flow from the new definition of project activities.

SCOPE OF WORK - QUESTION NINE

Evaluate the economic feasibility and possible social impact on the local population of alternatives subprojects to be undertaken with remaining funds allocated for the Bara irrigation Scheme.

At a meeting with P&D and FATA DC in the aftermath of the decision to terminate future Bara watercourse support, a listing of 19 potential water resource subprojects was submitted for USAID consideration. Of the 19, two surface irrigation schemes have passed back and forth between FATA DC and RAO/TADP, exchanging designs, and planning for implementation and cost estimates. From FATA DC's perspective, these are ready for a signed reimbursement agreement, and for construction to begin. Both schemes are similar to many other FATA DC subprojects, and require no special design or implementation considerations. The paperwork resides within TADP, and the project officer points out that with the departure of the SCS engineer, there was no engineering capacity to review the final plans received from FATA DC.

Two other surface irrigation schemes are under USAID consideration for A&E design, which FATA DC leadership has agreed or acceded to, but the XEN and the evaluation team demure. The schemes are in Kurram Agency, and are larger and more complicated than the smaller diversion channels, retaining walls, and spurs usually the centerpoint of FATA DC designs. Infiltration galleries have been recommended for these schemes -- a technique on display in Kurram Agency in a project completed by FATA DC in 1975, still in operation.

It would appear that some decision needs to be made on the support USAID is to provide FATA DC in upgrading its own capability. The evaluation team is not convinced of the argument that hiring an outside A&E firm will automatically lead the field and headquarters engineers in FATA DC to learn new irrigation technology. With support, the technology for design and completion of these new undertakings is available within FATA DC. When a decision is taken within the Mission about the extent of, and the method for, technology transfer, A&E firms might play a useful role in a redefined relationship. Until that time, A&E design for FATA DC will not contribute more than expense and delay. Instead, direct USAID involvement in design, planning, and costing estimates would speed the process of an agreed PC-1 and reimbursement agreement, and is the stated preference of FATA DC's field engineering staff.

TADP is currently in the throes of deciding how to make the project viable, how to bring to fruition the subprojects that have been under design, sometimes for two years or more, and which directions to pursue in the future. These are critical

implementation issues. As the Bara subproject demonstrated, with its projected 36 percent internal rate of return, economic analysis and benefit assessment are empty exercises if the subproject cannot be completed. At the time of this interim evaluation, while there is every indication that a way exists to complete subprojects in water resource development, that way has not yet been agreed on and proven. When it is clear that TADP can support small irrigation schemes that can be completed, the Research and Evaluation Unit, housed within P&D, should turn its attention to the economic feasibility and impact of the subprojects that replace the Bara watercourses. Implementability, rather than benefit, should be the criterion for the next several water resource projects within TADP.

SCOPE OF WORK - QUESTION TEN

Examine the problems which delayed project implementation and make recommendations to accelerate implementation. What factors, both external and internal, have contributed to delay in project implementation? Which of these can be changed, and if so, how? For those factors that cannot be changed, how does this affect overall project implementation and what strategy changes need to be made as a result of these constraints?

Explaining the Delays in Project Implementation

The case studies presented in response to Questions One and Eight document delays in every aspect of subproject development. A listing of specific delays has often been presented in TADP paperwork. Within the Mission, there is a tendency to attribute the delays to the very slow process of GOP approvals for the PC-1s required for each subproject, the time it takes to submit paperwork from FATA DC to SAFRON to EAD and to USAID, and the technical lack of capability of the implementing agencies in subproject design and construction.

USAID has documented how the PC-1 approval process for Bara took 18 months to clear ECNEC in final approved form. Other background information on the project lays the early difficulties to the long transfer time of paperwork that must move among FATA DC, SAFRON, ECNEC, and USAID/Islamabad. But the Components Chart, presented in Section A of this report, shows that only in the case of Bara was the PC-1 a delaying problem, and that was because ECNEC reviewed the PC-1 and found it objectionable. Had the PC-1 been reviewed as acceptable, final approval could have been granted in December 1983, when the project was given provisional approval. FATA DC and USAID agreement on designs, planning, and cost estimates was not completed until January 1984. In none of the other cases did the slowness of the PC-1 inhibit the start of construction. Rather, at least with FATA DC, there is now a well-greased process that brought the Go Go Wam Irrigation Scheme into construction nine months after it was identified and accepted by USAID.

A second consistent explanation for delays is the lack of technical competence of the implementing agencies. In the TADP Project Review Report dated March 1985, under the category of Problems and Delays, TADP wrote:

The performance of the implementing agencies has been inadequate. The staff in the FATA/DC and C&W are not adequately trained and experienced to perform their duties efficiently. There has been a continuous problem of completing required surveys, field studies, design works and accurate cost estimates and standards

The evaluation team is not convinced that the primary cause of delays in project implementation lies with the GOP. We would be much more likely to identify the intersection of USAID and GOP procedures as the culprit. In response to questions raised on the pace of project implementation, the project officer offered the following insight in August 1984:

[TADP is] Slow in start up, yes. Delayed by processes and communications links that have been set up and agreed upon by AID and the GOP, and neither of which seems willing to make the necessary changes. The lead time to get funds spent through a FAR system is long. It requires continuous involved technical assistance, access to project areas, selection of acceptable projects, careful field survey, accurate designs, approved GOP documents, a reimbursement agreement, and completed acceptable construction

What is often not appreciated is that the implementing agencies do not, spending their own development funds from the ADP, follow procedures required by FAR processes. Rather than start by a highly specific design that can be costed in its totality, they begin with a general design and pay for work completed under headings such as earth moved, excavation completed, and road-bed established, as much contracting proceeds in the United States. When USAID declares the engineers for FATA DC and C&W not adequately trained and experienced to perform their duties, the meaning is often that the engineers are not experienced or trained to perform USAID's requirements.

The implementing agencies need USAID support in learning to do their jobs better. We have proposed a major initiative to accomplish this objective. But the delays in project start-up and completion cannot be laid solely on their doorstep. USAID has been a significant part of the problem. Once that is recognized, corrective action can get underway.

Delay as a Systematic Ingredient in TADP

The most critical element causing delays in subproject completion, and one that the project will not change, is the difficult environment in which the project has elected to work. The tribal agencies undergo change slowly, and will not be remade in the effective life of TADP. The project either learns to select subprojects that contain less potential for disturbance,

plan for subprojects in a manner that minimizes this potential, and implement subprojects with the flexibility necessary to make changes when problems occur, or the success rate will be very low. The tribal working environment is the factor in TADP that will not change.

It is in the actions of USAID and the GOP in providing development assistance to the tribal areas where change can occur. How USAID might go about making the changes required for successful implementation has been the key thrust of the evaluation.

The delays are indicative of system failure. TADP, operating within established procedures of USAID and the GOP, does not work. The individual reasons for the delays are instructive, but solving each instance will not result in eliminating delays. The project can speed the process of design and approvals, move the paperwork faster, get PC-1 approval, and sign the reimbursement agreement in 4 months rather than 12. But if the price of this speed-up is less rather than more thoughtful subproject selection, not readying the tribal leadership for impending construction, not engaging the commitment of the political agent, not implementing through agencies and contracts that allow for changes and less-than-contracted (second-best) solutions, TADP will simply hurry faster to begin subprojects that are not completed.

Unless the chosen solution is for major highways and large bridges in protected areas, there will always be difficulties in working in the tribal agencies. TADP must reorganize and refocus to learn, with the GOP, how to do this effectively. It is not delays that threaten the viability of the project, but the inability to adjust to the one factor in the external environment that cannot be rapidly changed -- the volatility, perspectives, and autonomy of the tribemen within FATA.

SCOPE OF WORK - QUESTION ELEVEN

Based on judgment regarding ongoing activities, what is the potential for expansion of the project in the post-87 period and/or what possible alternative or additional types of interventions might be appropriate?

There is vast potential for expanding TADP once the project establishes that it can create viable development initiatives in tribal areas. An area development concept, with support to an integrated set of activities in water resource development, agricultural development, forestry, animal husbandry, feeder roads, education, and health would be most appropriate for tribal areas newly opened to the GOP. These project activities would be directed, in the field, by the political agent, working through the line departments. Limited technical assistance could assist in the definition of new programs and the assessment of progress, with modifications for the next cycle's and season's activities. Such a concentrated endeavor could have significant impact on a particular defined area, and serve as the basis for tribal decisions to open other areas to government development initiatives. This concept, with its predetermined flexibility in subproject design and implementation, is working in the NWFP. It could be extended to FATA without major difficulty.

ANNEX I

EVALUATION DISCUSSION PAPER

Proposed Agenda:

MEETING ON THE TRIBAL AREAS DEVELOPMENT PROJECT EVALUATION

November 7, 1985

Director's Conference Room
USAID/Islamabad

- | | | |
|------|---|---------------|
| 1400 | Introduction and Overview | D. Mickelwait |
| | Implementing Projects in the Tribal Areas | R. LaPorte |
| | The Impact of USAID Procedures in FATA | L. Eldredge |
| 1420 | Consideration of the Issues: | |
| | A. The Range of Options for USAID-supported
Projects in the Tribal Areas | D. Mickelwait |
| | B. Management and Coordination of TADP
within the Government of Pakistan | R. LaPorte |
| | C. Developing Institutional Capacity in
Engineering Agencies | L. Eldredge |
| | D. Other Issues of Importance: | |
| | i. Project Management within USAID | |
| | ii. | |
| | iii. | |
| | E. USAID Guidance and Special Concerns for the
Evaluation Team | |

Attachment: Discussion and Issues Paper

DISCUSSION PAPER

TRIBAL AREAS DEVELOPMENT PROJECT EVALUATION

Introduction and Overview

In three years, the Tribal Areas Development Project (TADP) has initiated four subprojects, deobligated one, and witnessed design and construction delays on the other three. Only one additional Reimbursement Agreement is signed, allowing the construction of eight tubewells. The remainder of the subprojects remain in preparation.

In addition to startup delays, the subprojects under implementation have experienced a series of difficulties which call into question the assumptions on which the project is premised. The Project Paper does not adequately treat the inherent difficulties which attend development initiatives in the tribal areas. In addition, while some areas are far more difficult to work within than others, a careful selection of the "easier" rather than the "harder" apparently was not undertaken. Further, the use of strictly interpreted FAR procedures may have complicated an already difficult situation, generating, from the implementing agencies, complaints on project mechanisms and interpretations.

Tribal Areas Development

The USAID-supported subprojects are caught in a pincher, one claw being the special arrangements used to open and develop tribal areas. The British left a series of treaties and rights which have been continued under GOP sovereignty. Political Agents (PA's) have territory within their Agency which is under their control (open, or protected), territory which is governed by tribal law, and where the GOP negotiates through Maliks and meetings of tribal elders (unprotected or closed) and territory which is inaccessible, where the officials do not enter. The PA's are intent upon bringing all territory under GOP rule, and substantial progress has been made since 1950. The tools the PA uses are those of political negotiation and compromise, the assigning and withholding of favors. The tribesmen generally see the government as intervening and threatening their own independence, and thus demand to be paid to accept development projects. These payments take the form of a land purchase (Quomi Commission of 6.25 percent of total project costs); Nominated Contractors from the local area who undertake construction projects (the Sadda-Merghan road has three principal nominated contractors); and security guards appointed to the project by the local tribal group. In addition to demands upon the government, the tribesmen regularly feud with each other, often holding the development project hostage.

USAID Processes and Procedures

The second claw of the pincher is the straightjacket imposed by FAR procedures, which assume competent, capable implementing agencies able to sign contracts and complete infrastructure subprojects with a minimum of complication. Costs are estimated on the assumption that construction can proceed without interruption, that the required labor will be available when needed, and that recipients will not deliberately destroy the structures built, supposedly, in their own interest. None of these assumptions has proven to hold in the tribal areas. USAID has entered a tribal minefield with major problems involved in generating development activities, constrained by internal procedures that inhibit the flexibility required for successful implementation.

The Issues

TADP was designed as a test of the ways in which USAID could support development in tribal areas. By any criteria, the first phase cannot be judged successful. The evaluation team is fearful that the second phase subprojects, those now under preparation, could make matters worse. Rather than accommodating the special requirements of tribal area development, the new subprojects seek closer conformity to USAID procedures: the use of outside A&E firms for design and inspection, formally contested bid arrangements for construction, deeper USAID involvement in project selection, definition, and reimbursement signoffs.

We believe it behoves the Mission to reconsider its strategy for implementing the Tribal Areas Development Project, based upon either the original or revised project objectives, before committing to further subprojects. The Evaluation Team should contribute to that review by pursuing in depth those options which most closely fit Mission priorities and objectives. This meeting seeks to help determine Mission positions by highlighting alternatives at the far ends of the policy continuum of major project issues.

Attachments: Issues Papers

Issue Paper A:

THE RANGE OF OPTIONS FOR USAID-SUPPORTED PROJECTS IN THE TRIBAL AREAS

The Policy Options presented here are neither complete nor independent. They represent a first cut at establishing parameters on the future direction of TADP.

Policy Continuum 1: The Shifting Priorities Assigned to Project Objectives:

Project Goal: Integrating Tribal Areas into Pakistan with improved quality of life;

Project Purpose: A) Building Implementation Agency Capability; B) Providing Infrastructure;

Project efforts to date have focused on providing infrastructure, with little attempt to strengthen implementing agency capacity, and no direct connection between the infrastructure provided and the opening of areas previously closed to government of Pakistan initiatives. The policy continuum is:

Capacity Building-----Infrastructure Construction

Agency Support
Technology Transfer
Technical Assistance
Collaborative Designs and Implementation
Program Budgeting
Payments for Expenses

Project Support
Uphold Standards
Technical Inspectors
Review and Approval
Project Costing
FAR Project Reimburse.

Policy Continuum 2: Program Support versus Project Support.

One project outcome could be high-quality infrastructure designed and constructed to superior (for Pakistan) standards, clearly marked as U.S. government contributions. In this instance, the road, bridge, watercourse, school, would be known as the USAID road, bridge, etc. An alternative is to support GOP programs, attempting to improve design and construction standards but settling for results which more closely approximating those in use in settled areas. In this instance the road, bridge, watercourse, school would be known as a GOP road, bridge, etc. The policy continuum is:

USAID Project Support-----GOP Program Support

High Design Standards
Enforced Construction Standards
Inspection/acceptance-rejection
Direct US Involvement/Marking
High Quality US Subprojects

GOP Design Standards
Second Best Construct.
Technical Assistance
Support GOP Efforts
Higher Quality GOP Sub.

Policy Continuum 3: USAID FAR Procedures versus Design/Implementation Flexibility.

The project can accept the requirement for FAR procedures strictly applied, with competitively-bid construction contracts, outside inspection and overruns being the problem of the contractor. To be workable, this should limit the range of subprojects to be selected for USAID reimbursement. Alternatively, USAID can opt for more flexible funding procedures, at least for some portions of TADP subprojects, and/or ease application of FAR procedures for others. The policy continuum is:

FAR Procedures-----Flexible Funding

Detailed Design Specifications
Exact Costing
Overruns from Agency/Contractor Budget
Implementation Changes Difficult
High Confrontation Prospect
High Standard Construction (if completed)
Little Leakage of Funds

Acceptable Designs
Approximate Costing
USAID Pays All Costs
Imp. Changes Easy
Collaborative Effort
"Maybe" Standards
Less Leakage Control

Policy Continuum 4: Choice of Project Type

Depending upon the answers to 3, above, future projects should be selected to accommodate the flexibility allowed in USAID procedures. It is possible to strictly apply those procedures used in settled areas of Pakistan, to tribal areas. To avoid serious implementation difficulties, thoughtful subproject selection should be based upon information about conditions in each individual Agency. The policy continuum is:

USAID Projects under FAR Procedures-----GOP Projects under

Protected Areas
Large Few Subprojects
Main Road Projects
Main Road Bridges
Large Water Schemes
Infrastructure

Flexible Funding
Closed and Open Areas
Small Many Activities
Access Roads
Agriculture/Forestry
Small Surface/Ground.
Area Development

Issue Paper B:

MANAGEMENT AND COORDINATION OF TADP WITHIN THE GOVERNMENT OF PAKISTAN

At present, TADP has no single "home" within the GOP or the Government of the NWFP. There is no single GOP project manager. Because its subprojects are located in several tribal agencies and frontier regions and implemented by either FATA/DC or the NWFP C & W and LGRD Departments, one might state that there are several subproject managers but none who has a vested interest in ensuring that the problems these subprojects have faced (or may encounter in the future) are dealt with in a systematic, expeditious fashion. Consequently, a degree of confusion characterizes TADP's efforts in designing and implementing the subprojects it supports.

In theory, the clients of TADP are the tribals themselves. They are the ones who should be benefiting from surface and ground water development and the development or improvement of other physical infrastructure projects such as roads. However, to deal with the tribals, TADP must work through government officials--the political/administrative officers in the agencies and frontier regions, the administrative and technical personnel of FATA/DC and the C & W Department, the NWFP P & D Department personnel, the NWFP Home Secretary, and, if the project is substantial in terms of cost, federal government officials. In a sense, these officials are also clients of TADP. For example, the Political Agents in the tribal agencies are charged with maintaining law and order in their areas and welcome development projects so long as these projects do not disturb the "peaceful co-existence" that they are attempting to maintain among the tribes in their agencies. Some PA's are development activists, seeking to open previously closed tribal areas. Another example is the administrators and technicians of FATA/DC. TADP support for their projects is welcomed as long as this support does not involve a disproportionate amount of their time and resources. The needs and requirements of these government clients must be recognized and met in the design and implementation of TADP subprojects.

As a result of the above, the TADP Evaluation Team suggests selecting one or both of two alternatives that would assist TADP in expediting both the identification/design and implementation phases of its subprojects. The two alternatives are to:

- o encourage the GOP to establish a Special Development Unit (SDU) housed in the P & D Department modeled after the SDU headed by Ejaz Rahim; or
- o encourage the GOP to establish a special TADP Committee, chaired by the ACS, and composed of the following individuals:
 - (a) the Political Agents in the tribal agencies in which the TADP wishes to support projects;

- (b) the Deputy Commissioners in the frontier regions in which TADP wishes to support projects;
- (c) the Secretary, NWFP P & D Department;
- (d) the Chairman, FATA/DC; and
- (e) the Secretaries of other line departments whose activities may be added to the project in the future.

Models for both the first and second alternatives exist in the Northwest Frontier Area Development Project.

The first alternative's effectiveness would be greatly dependent upon the government official selected to head the SDU. Another Ejaz Rahim might be difficult to find. The second alternative's effectiveness would be dependent upon the willingness of these officials to work as a committee. Our field investigation suggests that there is a willingness on the part of those officials contacted to serve in such a capacity. The TADP Committee would be a government decision making group and would make decisions affecting all phases of the subproject cycle. The Committee would identify and select projects and assist in eliminating delays (in some cases, anticipate delays). Enlisting the support of the Political Agents in the agencies in which TADP is currently working or anticipating to work is essential. Only these officials can decide upon what is the effective demand for a given project and what ways and means are most effective for project completion. Clear lines of communication between USAID and these officials are essential for all phases of the project cycle. Such a Committee would establish and maintain these communication links.

Issue Paper C:

DEVELOPING INSTITUTIONAL CAPACITY IN ENGINEERING AGENCIES

The Leakage Dilemma

Building institutional capacity is an oft-stated goal of development projects. Engineering agencies have proven especially difficult for foreign donors to support, since in most developing countries a certain percentage of what should be construction costs are diverted to the engineering staff. Procedures to ensure that USAID funds allocated to subprojects do not leak from their intended use may have the impact of denying support to the building of institutional capacity.

Two extreme points of view suggest very different strategies in working with engineering agencies. The cynic will argue that in Pakistan all engineering decisions are made on the basis of personal gain, that there is no way to improve institutional competence or quality since extra funds will simply mean more personal income to the engineers involved. In this view, building institutional capacity is a hopeless endeavor, and instead USAID should concentrate on procedures and inspections which help stop leakage.

The idealist argues that in Pakistan with its institutionalized leakage, some agencies and individuals work better than others, suggesting that there are incentives and motivations which transcend personal gain. By focusing on those incentives and motivations, USAID can improve organizational performance and competence. In this view, building institutional capacity is a necessary endeavor for delivering improved development performance, and USAID should concentrate on upgrading all agency activities with minimal concern for and inspection of the few subprojects supported by AID funding.

Changing Institutional Capacity by Grasping the Tail of the Organization

FATA DC designs and builds simple diversion structures, with concrete retaining walls and gabion spurs. They have completed hundreds such structures, all fundamentally requiring similar design and construction specifications. Kurram Agency alone has 52 completed surface irrigation subprojects. FATA DC also has three large and complex schemes, including the much heralded BARA headworks and canals.

When USAID agreed to fund yet another small FATA DC surface irrigation scheme, two rejections of ongoing construction halted work and, in conjunction with other factors, delayed completion for one year. There is no question that the construction was not to specification. There is always a question of what difference the deviation makes, and each engineer is likely to have different interpretations of the impact of non-specification construction on longevity and utility of the structure.

The policy question is whether it contributes to the accomplishment of the goals and purposes of the project to reject construction on a small scheme

of the type which they can and do build without our assistance. From FATA DC's point of view, as put forward by their Chairman, USAID projects constitute some two percent of their total work effort. Rather than "faultfinding" (their description of AID's after-the-fact inspection and rejection process) he would prefer that USAID work collaboratively with his engineers to improve overall quality. But this is not the spirit of a purely FAR reimbursement system. Building institutional capacity within FATA DC would likely call for a set of procedures other than applying FAR pressure to a minor subset (the tail) of agency projects.

The Options If Building Institutional Capacity Is Selected as a USAID Objective

Option 1: Detailed Designs and Regular Inspection to Ensure Quality.

If FAR procedures can deliver increased institutional capacity, it is through USAID involvement in design, bringing the specifications up to standard, and in forcing (through rejection of inferior work) construction to meet the specifications of the design. As mentioned above, based upon the field observation completed to date, the Evaluation Team does not believe this procedure works in TADP, and that USAID reimbursement criteria however rigidly applied will have no impact on the standards used to design and construct similar Annual Development Plan (ADP)-funded subprojects.

Option 2: Technical Assistance which works cooperatively with staff of the Engineering Agency to develop jointly designs for projects which USAID will fund, and then regularly provides on-site inspection to assist construction staff understand the importance of and need for meeting design specifications. This can be accompanied with "rejection" authority for inferior construction, based upon a lack of integrity and utility to the completed structure, not merely the satisfaction of design requirements.

Option 3: Technical Assistance which works cooperatively with staff of the Engineering Agency to develop improved designs and construction methods for all Agency subprojects, with review and approval authority for those to be funded by USAID. The project would be funded to provide generalized training to agency staff, ensure the completion of work standards and manuals appropriate to the agency needs. Technical assistance could provide the impetus for a monitoring and Review Cell which inspects and grades/rejects construction for all subprojects completed by the Agency, with feedback to field engineering staff on the comparative quality of their work. Inspection of USAID-funded schemes could be as in Option 2 above, or could be delegated to the Review Cell of the implementing agency.

ANNEX II

COMMENTS FROM MISSION ON DRAFT REPORT



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD

February 26, 1986

Mr. Donald R. Mickelwait
Team Leader
Development Alternative Inc.,
Washington, D.C. 20001

Dear Don:

I am sorry for the delay in returning the copy of your draft interim evaluation. We had intended to do a quick, light edit that would have made the report acceptable without tinkering with your basic theses. We did the light edit, deleting personal references, but it didn't make us very much happier with the report. Some aspects have been very helpful. We have already adopted some of your suggestions, e.g. delegating signing responsibility for reimbursement agreements, structuring some greater flexibility into them and deletion of the PC-I requirement in the project agreement.

There are, though, some basic misassumptions that need to be corrected if the report is to be as useful as DAI's work usually is:

- a) The report asserts that engineering standards required by AID were excessively high and not responsive to project context. We have done a lot of soul-searching on this. Both we and the GOP conclude that the standards used are minimal acceptable standards and fully in accord with construction standards possible in Pakistan by C&W and FATA-DC. To suggest that the standards should be reduced further is not to recognize two important facts; i.e., the standards are essentially the same standards employed by FATA-DC for its own works, and the established costs are consistent with FATA-DC's own costs for achieving these standards. They can do it if they want to. In ultimate terms, AID must not allow itself to be put into the position of validating unreasonable costs for work to be done, even under the rubric of "flexibility"; and we do not want to associate AID with work considered inadequate even by local standards.
- b) Quomi commission: Your suggestion that this commission, ranging between 6.25 and 6.5 percent, should somehow be payable by AID because it is "..... an established administrative procedure" misses the mark. I am not sure what word you would use for these commissions, but, be they bribes or charges in lieu of taxation, they are prohibited. As you should know, AID funds cannot be used to finance identifiable taxes, tariffs, duties or other levies imposed under laws, not to mention bribes. So even semantics, in the absence of common sense, cannot help us with this one.

- c) Reimbursement agreements - flexibility: We agree it is desirable that reimbursement agreements be as flexible as possible -- with the understanding that these are fixed amount agreements. This is not semantics, but common sense. The use of a fixed amount agreement is intended to get us away from the voucher reviews that so often tie us up under host country and direct contracting procedures. What enables us to escape this level of scrutiny is precisely the fact of the up-front agreement on the fixed amount for the work unit completed. We cannot have it both ways. Either we reimburse what it actually costs -- and verify accuracy and reasonableness -- or we both agree beforehand what AID will pay. In either case we have to verify adequacy. It would be nice in some ways to be flexible, and to pay whatever the costs are claimed to be without checking. I doubt, however, that you as a taxpayer would be as happy with such an arrangement as you as a consultant might be.
- d) Utilization of host country contracting procedures: There appears to be a fairly fundamental misunderstanding of the features of host country contracting and fixed amount reimbursement. With host country contracting, AID finances the contracts entered by host country entities. Their own contracting procedures are followed, although the mode of competition and the contract itself usually must be modified somewhat to comply with AID's requirements. Every contract over US \$100,000 must be reviewed and approved by AID. We reimburse the host country for individual transactions in accordance with these approved contracts, and in addition, we must monitor the adequacy of the end product. Fixed amount reimbursement, by contrast, is a far easier and less intrusive method for financing works undertaken by the host country. Because we agree beforehand to the acceptability of their contract system and a fixed amount, we do not approve each contract, the competition for the contract or the individual costs. We focus just on the end-product. The result is that FAR is ultimately more flexible, not less flexible, than host country contracting. AID's detailed requirements are not imposed upon the host country. Please note that host country contracting does not replace concern for the end-product with concern for the process. Instead, it adds the responsibility for monitoring the process, as well as verifying compliance with certain AID requirements, to responsibility for the end-product. Concern for an adequate end-product is and should be there irrespective of the structure of the project, or the type of contracting, or the financing mode. In other words, switching back from FAR to host country contracting does not put us any closer to paying Quomi commission or paying for substandard work. We still face the responsibility to assure we are getting an acceptable product at a reasonable cost and that the costs are allowable costs. That's the way the AID regs are written, and that's the way common sense tells us it ought to be. I can not imagine that you would have it in any other way.

- e) You recommend that we drop our focus on construction of infrastructure and concentrate instead on institutional development. Unfortunately, short of no-strings cash transfers, construction is probably the easiest thing AID can do anywhere, and, if we're serious about it, developing institutions is the hardest. Adding flexibility to the project isn't likely to hasten the arrival of institutional development in the tribal areas. If we are not serious, then of course, we can use it to divert our attention from the poor construction our funds are financing. We would rather focus on what's realistically possible in this project's life, difficulties considered.

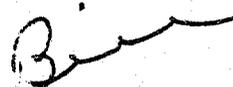
All that said, the project does, of course, involve institutional development, as you know, and we are working at it. Its a long, hard process, though, and it won't come any more easily if we drop construction.

Finally, on the matter of the personal references deleted in our edit. It serves no useful purpose to blame individuals by name for the project's failures. More importantly, whether names are named or not, the approach is simply wrong. It wasn't a handful of individuals that caused this project's problems; they were all doing their job. AID, like many organizations, has checks and balances built in that virtually guarantee internal conflict at least some of the time. If we were all supposed to agree all the time, nine out of ten of us could go home. There is a myriad of legal, regulatory, procedural, programmatic and common sense standards that, like it or not, we must observe. What we wanted from you, if it exists, is a way to keep to these requirements and still get the job done. Perhaps, given the particular facts of life in the tribal areas, it doesn't exist.

We would be grateful for a final report that attempts to incorporate these perspectives and concerns. In the meantime, we have, as I mentioned earlier, acted on some of your suggestions. We are restructuring parts of the project to reduce project exposure to incompatible practices, and we are hopeful that some successes will be achieved.

With best regards.

Sincerely,

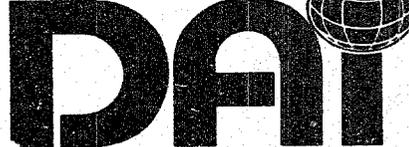


William D. McKinney
Acting Chief
Office of Program

cc: Maureen Norton, ANE/DP

ANNEX III

**REPLY FROM EVALUATION TEAM LEADER TO
MISSION CONCERNING DRAFT REPORT COMMENTS**



Development Alternatives, Inc.
624 Ninth Street, N.W.
Sixth Floor
Washington, D.C. 20001

May 28, 1986

William D. McKinney
Acting Chief
Office of Program
United States Agency for International Development
Mission to Pakistan
Headquarters Office
Islamabad, Pakistan

SUBJECT: The Tribal Areas Development Project Evaluation

Dear Bill:

This letter is in response to your comments, dated February 26, 1986, on the draft report of the interium evaluation of the Tribal Areas Development Project. In addition to the briefing prior to our departure, we asked for and received the USAID Mission's comments on the draft. Thank you for assembling and synthesizing the perspectives and views of the various offices.

May I also apologize for my tardiness. By the time I received the comments in March (and I understand the reasons for the delays -- if the issues were trivial, we could have finished months ago), I had committed to a travel schedule that did not allow me to work again on the evaluation until May. As you reported, many actions and activities that were identified during the evaluation team's field work were set in motion as they came to the attention of the Mission. We believe the most significant impact in improving the project has already occurred, as it should with a formative evaluation, and that the final version of the evaluation report is destined mainly for the archives, and for those few readers with a special interest in tribal areas or in the evaluation process.

I did reconsider and edit the final report in accordance with the written notations on the draft, and the comments in the referenced letter. In summary, may I offer my insights on the issues raised:

- a) Engineering Standards. Had the evaluation team learned how to deal with this complex issue, many long hours of non-intersecting discussions could have been avoided. We attempted, obviously without success, to capture the

111-4

disadvantages of focusing on standard and technical specification rather than on methods of helping Pakistani agencies improve their capacity to work in an exceedingly difficult environment. In the field, local agency representatives will talk about what they believe to be differences in standards. At headquarters, neither USAID nor the government of Pakistan can admit to engineering specifications that are less than those required for prudent safety and cost-effective longevity of the structures under construction. Your letter suggests that "they can do it if they want to." I ask if, in the long turmoil that led to the cancellation of the Bara subproject, the effort failed because the Federally Administered Tribal Areas Development Corporation (FATA DC) did not want to meet the established construction standards. Rather I would submit that the complexities of working in the tribal areas got in the way of the completion of construction to those standards, and by insisting on the work meeting previously agreed-on specifications without deviation, USAID was a participant in the demise of the Bara undertaking.

Standards are important, but we believe they are not the central issue of TADP. Others within the Mission felt that the upholding of standards was not only central to but also critical in evaluating the project. From our perspective, the evaluation team concentrated on seeking ways to generate useful development in the tribal areas, accepting the meeting of construction standards as one requirement. Others within the Mission saw the evaluation team as arguing for a lowering of standards, which would benefit only the government engineers. I was unable to bridge the perspective gap.

The reasoning to which we objected moves quickly from the standards issue into the corruption issue. Some within USAID who very strongly believe that

IF USAID pays for construction to an agreed standard, and IF the standards are not met, THEN someone engaged in construction is pocketing the difference.

In discussions on these issues, "standards" and "preventing corruption" become shibboleths, and the attempt to find a way out of a complex labyrinth became heated. Who can argue against the upholding of construction standards and the preventing of corruption? Yet the evaluation team was able to find some plausible alternative explanations for difficulties in meeting

and insisting on holding to the original FAR reimbursement schedule without deviation, there is room for thoughtful modification. Since FAR is used in many other USAID missions, for many different purposes, there are alternative interpretations of FAR requirements. In Indonesia, for example, FAR is used to reimburse subproject construction under very different assumptions and requirements for design, costing, and final inspection than those used in TADP. Our call was simply for as much flexibility in modifications as the regulations and law will allow. With its unique history and privileged status, Pakistan's tribal areas give justification for whatever flexibility the FAR system can provide.

- d) Host Country Contracting Procedures. In our draft report, the enthusiasm we reported for host country contracting was from the deputy project officer. The project went through several phases, managed by several different project officers. The solution to the inability of local Pakistani government offices to draw up designs and costing appropriate for FAR reimbursement, witnessed in the early years of the project, led to the use of outside local consultant firms, with the thought that after detailed plans had been established, these would be put out to bid for execution by local construction firms. The evaluation team found many reasons to be skeptical of this solution. We agree with the Mission's assessment of the difficulties of host country contracting and have corrected any ambiguous language on this point that appeared in the draft.
- e) Building Institutions. As the evaluation team arrived in Pakistan, neither construction nor institutional development was progressing in this three-year project. Our recommendation was to add institution building to the implementation of the project, since it is listed in the goals. We had in mind technical assistance and training that would improve the skills and understanding of FATA DC, and help upgrade the performance of the Communications and Works Department. These suggestions were included in both the draft and the final version of the evaluation. Our recommendations for flexibility in implementation concerned improving the performance of construction efforts under FAR agreements.

The evaluation team included specific references to individuals who held decision-making roles in the project since we believed it was our charter to determine why the project had encountered the obvious delays and lacked progress. It was not

any standards in tribal areas, and also some solutions that had been used in other USAID-support construction undertakings in the North West Frontier Province that did not hang up on the standards and corruption perspective.

We understand that, after our departure, the responsibility for design and approval of construction within TADP was shifted to Peshawar, as had been recommended for some time by the Engineering Office in Islamabad. Since the Regional Affairs Office in Peshawar has generated seemingly workable solutions to complex local construction problems in other in projects in North West Frontier Province, this shift should go a long way toward finding a middle ground between meeting standards; preventing corruption; and getting the project, and thus development, underway.

- b) The Quomi Commission. The draft evaluation report quoted the original project officer, who made a case for the payment of the Quomi Commission. The evaluation team intended no recommendation for this payment to be made by USAID. Instead, we were using the issue to show the complexities of working in tribal areas, and the need for extraordinary measures to obtain tribal agreement and support. Our recommendation would be that

IF USAID does not make Quomi Commission payments (and we recommend it does not), and IF such payments are required by established custom to ensure that construction can proceed, THEN either the Government of Pakistan should make the payments or USAID should not support the subprojects.

- c) Flexibility in Reimbursement Agreements. I appreciate your call for "common sense." Certainly that is what the evaluation team sought in matching the impact of the reimbursement agreements to the complexities of the environment. We understand that the Mission has instituted a number of changes to its procedures in place at the time we visited that deal with some of the more important difficulties of working in tribal areas. These were reported to concern the total amount of funds committed under any FAR arrangement and the ability to authorize changes in the FAR agreements once signed. Both changes respond to conditions in subprojects that could not have been anticipated during the design and costing stage. Somewhere between paying "whatever the costs are claimed to be without checking"

our intent to blame those individuals, who were operating within what we defined as an organizational culture at the time. During the three years of the project, several different management philosophies were at work. A knowledge of what happened included the identification of who caused, or elected to halt, actions of one kind or another. We have, of course, deleted personal references in the final version, which will have wider distribution than to USAID.

I end this letter with the sense that neither the Mission or the evaluation team is satisfied with the exchange, or the written results. TADP in late 1985 was, from our perspective, a suitable candidate for deobligation. Our analysis of the reasons included a healthy role for the rigidity that had crept into the implementation of the FAR system, causing Mission staff to focus on the use of inspections to ensure construction standards were met, which was necessary to prevent corruption. TADP might instead concentrate on assisting Pakistani development agencies to operate within a uniquely difficult, complex, and unyielding environment, understanding that the issues of meeting construction standards and preventing corruption still remain. We understand these are judgment calls, subject to interpretation and disagreement among capable professionals. News of the progress of the project since our visit is encouraging. We wish you, TADP staff, and the project well as the next phase of activities begins.

As always, I enjoyed my stay in Pakistan. Thank you, the Mission, and the Regional Affairs Office in Peshawar for thoughtful and comprehensive support.

Sincerely,



Donald R. Mickelwait
TADP Evaluation Team Leader
May 27, 1986

ANNEX IV
ABBREVIATIONS

ANNEX IV

ABBREVIATIONS

ACS	Additional Chief Secretary (the senior GOP development official within a province)
ADP	Annual Development Plan (a planning document of the GOP)
A&E	Architecture and Engineering
APA	Assistant Political Agent
ARD	Agriculture and Rural Development (an office within USAID/Pakistan)
C&W	Communications and Works (department)
DC	Deputy Commissioner (in charge of a district)
DRAO	Deputy Regional Affairs Officer (USAID/Peshawar)
EAD	Economic Affairs Division (USAID's primary liaison agency within the GOP)
ECNEC	The GOP National Economic Council responsible to approve major development projects
FAR	Fixed Amount Reimbursement
FATA	Federally Administered Tribal Areas
FATA DC	Federally Administered Tribal Areas Development Corporation
FR	Frontier Region (a transition zone between tribal agencies and districts in NWFP)
GOP	Government of Pakistan
IFB	Invitation for Bid (a component of the AID procurement process for commodities)
LG&RD	Local Government and Rural Development (department)
NSL	Natural Surface Level
NWFADP	North West Frontier Area Development Project (USAID-supported)
NWFP	North West Frontier Province

PA Political Agent

PACD Project Assistance Completion Date

PASA Participating Agency Service Agreements (an arrangement by which AID contracts for services of staff from other U.S. government agencies)

PC-1 A Government of Pakistan planning document that sets forth funding for development projects (approval is necessary for PC-1 submissions at various levels within the GOP depending upon the total amount of funding being expended)

PC-II GOP planning document that schedules funds for research projects

PCRB Project Coordination and Review Board (under P&D, NWFP)

P&D Planning and Development (department)

PDWP Provincial Development Working Party

PIL Project Implementation Letter (a USAID authorizing document)

PIO/C Project Implementation Order/Commodities (an AID form authorizing commodity procurement)

PIO/T Project Implementation Order/Technical (an AID form authorizing required technical assistance services)

PP Project Paper

RA Reimbursement Agreement

RAO Regional Affairs Officer (USAID/Peshawar)

REU Research and Evaluation Unit (within TADP)

RFP Request for Proposals

SCS Soil Conservation Service (United States Department of Agriculture)

SDU Special Development Unit (of the Planning and Development Department, NWFP)

SAFRON States and Frontiers Regions Ministry (the federal ministry responsible for special areas, tribal areas, and the frontier region of NWFP)

TADP Tribal Areas Development Project

USAID United States Agency for International
Development

USDA United States Department of Agriculture

UN United Nations

XEN Executive Engineer (engineer in charge of a
particular unit, also a designation of position
within the engineering hierarchy)