

DRAFT: FOR DISCUSSION AND COMMENTS ONLY

10-APP-279
9+079

**KALA DHAKA AREA DEVELOPMENT PROJECT:
OPTIONS FOR PRIVATIZATION**

Prepared for the
Rural Development Division, USAID/Pakistan
Under Contract No. 391-0458-C-00-0505-00

by

Richard English, Ph.D.
Development Alternatives, Inc.
Bethesda, Maryland, USA

July 27, 1992

BEST AVAILABLE DOCUMENT

KALA DHAKA AREA DEVELOPMENT PROJECT: OPTIONS FOR PRIVATIZATION

INTRODUCTION

The Kala Dhaka component of the North West Area Development Project (KDADP) represents the first efforts on the part of the USAID Mission in Pakistan to systematically implement a program community-based participatory development. In August 1993, USAID funding for KDADP will expire. In an effort to preserve its investment and hard won momentum in building sustainable community development, USAID has developed a strategy of "privatizing" its area development projects, i.e., to develop the capacity of local people, through grassroots organizations and NGOs, to sustain development initiatives and maintain development infrastructure put in place by USAID Area Development Projects. This strategy includes the establishment and support of district-level Service NGOs that will continue to promote and sustain participatory community development in target areas.

This report identifies three institutional options available to USAID for privatizing KDADP. Within the framework of each of these options, this report discusses:

- o The consolidation of the KDADP Project Coordination Unit (PCU) and Technical Assistance Team (TAT) into a Field Management Team capable of continuing institutional and technical support to Village Organizations and Women's organizations (VOs/WOs) in Kala Dhaka.
- o A timetable for the transfer of KDADP assets to the Field Management Team and a schedule for the phase out of the current PCU/TAT staff.
- o Illustrative commodity, staff and annual recurrent cost requirements of the Field Management Team to carry the privatization process forward.

BACKGROUND

Rationale for community participation: inability of line departments to reach rural populations, especially those inhabiting remote areas of the country; and need for community involvement in the identification, design, implementation and maintenance of donor/government supported developmental efforts to guarantee sustainability of development investments.

USAID awarded the contract for the implementation of KDADP to Development

Alternatives, Inc. in 1989. The overall objective of the project is to reduce existing opium poppy cultivation and to discourage expanded opium poppy cultivation by bringing this remote, economically neglected area into the mainstream of the provincial and national economies. KDADP was conceived as having two phases. The objectives of Phase I were: 1) the construction of roads and the establishment of pilot activities in agriculture, health and education as well as community-based infrastructure development projects; and, 2) the evaluation of pilot activities combined with the gathering of data with which to determine feasible development activities for a full-scale Phase II of the project.

As part of its efforts to promote more community-based and sustainable development within its portfolio of remote area development projects, USAID/Pakistan gave approval to the Kala Dhaka TAT to begin pilot community participation efforts in the project area in November 1990. From that date, the TAT, in collaboration with the project's PCU, began testing methods for promoting community participation in seven project area villages. As a result, the TAT gained important experience in the design, implementation, monitoring and evaluation of participatory development initiatives that are applicable not only to Kala Dhaka but to other areas of similar socio-economic conditions in NWFP.

COMMUNITY PARTICIPATION: KDADP PROGRESS TO DATE

USAID's approval of the KDADP contract modification (April 1993) enabled the project's PCU/TAT to begin the implementation of an expanded community participation program in a number of "village development clusters" in the project area (see Annex A). Early data gathering efforts had enabled project management to identify receptive communities within the project area, and to establish baseline indicators against which to measure project progress. Lessons learned from the project's pilot village organization efforts enabled the TAT to establish four specific objectives for the contract modification period:

- o To implement small scale infrastructure development through local village organizations which can operate, maintain and repair the infrastructure on a continuing basis without ongoing project funding;
- o To use the grant-funded, small scale infrastructure project as an entry point for village organization, in order to demonstrate the benefits of collective management of development inputs to villagers, evaluators and administrators;
- o To train villagers in a range of practical and managerial skills such as book-keeping, banking, familiarity with outside agencies, livestock disease control and care, seed treatment, etc., that are essential for the

effective participation of villagers, particularly small farmers, in agricultural development; and

- o To obtain the collaboration of government agencies implementing the KDADP to undertake KDADP activities through village organizations.

By May 1992, the PCU/TAT had recruited two senior Social Organizers, two Women in Development Specialists, six Community Organizers and six Construction Supervisors to implement a program of community participation adapted from the AKRSP model. Following this recruitment effort, the TAT developed its own three week training program to orient new staff to the project area and its population, to the project objectives and to methods of promoting community participation in KDADP development activities.

To date, 25 Kala Dhaka Village Organizations have formed project committees to manage villager participation in infrastructure sub-projects (see Annex B). Twelve of those sub-projects are underway. In addition, KDADP has provided village-level training in agricultural extension, kitchen gardening and midwifery, and has promoted income generation among participating villagers through the distribution of fruit tree seedlings and improved poultry breeds. KDADP's progress in promoting community participation is an indication of the viability of its village organization methods.

OPTIONS FOR PRIVATIZATION

The success of AKRSP, the Orangi Pilot Project, and the CIDA-supported Small Projects Office program in supporting community-based participatory development has encouraged donors to support the replication of that success in other development contexts in Pakistan. The most noteworthy efforts to date are GTZ's Integrated Rural Development Projects in Balochistan and NWFP, the Malakand Social Forestry Project, USAID's support to the Sarhad Rural Support Corporation (SRSC) in Charsadda and Kohat. Each of these efforts has demonstrated that the success of rural development depends on a partnership of government developmental agencies (i.e., line departments) and the communities that they are mandated to serve.

This multiplicity of donor support to participatory community development has given rise to a number of institutional options for sustaining and expanding upon the achievements of KDADP. Each option provides a context for a Field Management Team --consolidated from the existing project PCU/TAT -- to continue the promotion and support of village organization in Kala Dhaka as a "service NGO" to Kala Dhaka communities. The three most viable options are:

- o USAID and GONWFP may support the establishment of an autonomous entity called the Kala Dhaka Area Support Program (KDASP) under the sponsorship of an existing local NGO (i.e., SRSC). USAID will provide bridge funding to the sponsoring NGO for a period of up to two years to enable KDASP to secure independent funding from donors and the Government.
- o With the agreement of the SRSC Board of Directors, USAID and GONWFP may incorporate the Kala Dhaka community participation efforts into SRSC as a component of the SRSC program in NWFP. The SRSC Board will govern the activities of the Kala Dhaka Field Management Team through the SRSC Executive Office in Peshawar in a manner consistent with the SRSC Kohat and Charsadda component activities. USAID will provide supplementary funding to SRSC to support the additional management requirements of a Kala Dhaka component for one year. This funding will enable SRSC to integrate Kala Dhaka activities into its program of fundraising from donors and the Government.
- o The International Fund for Agricultural Development (IFAD), with the agreement of GONWFP may support an autonomous entity in Kala Dhaka to implement the Kala Dhaka component of its Mansehra Village Support Project (MVSP). SRSC, as the designated institution for managing MVSP implementation, would sub contract with this entity to enable the Kala Dhaka Field Management Team to continue its village organization activities in Kala Dhaka according to a strategy established by the project. In addition, the Field Management Team could initiate MVSP supported participatory development activities in project target areas adjacent to Kala Dhaka.

The successful exercise of any of these options rests on a number of important conditions:

- o The commitment from the highest levels of GONWFP to the strategy of participatory development, and to the support of service NGOs as institutions for promoting this strategy;
- o The commitment of the GONWFP line agencies to enter into flexible terms of partnership with service NGOs, terms that are not necessarily bound to the rigid criteria of performance set forth by a PC-1;
- o The willingness of SRSC Board to expand its management structure and funding base to support Kala Dhaka activities either as a sponsor, as in Option # 1, as a parent, as in Option # 2, or as a partner, as in Option #

3; and

- o The willingness of GONWFP to transfer all KDADP assets (vehicles, equipment and facilities) to the Kala Dhaka Field Management Team.

KDADP has developed a promising strategy for promoting community-based participatory development in a remote and isolated region of North West Pakistan. Through its own research and consultation with the local population, the project has built up a store of information on region's inhabitants and their development priorities. It has used this information to develop and test appropriate methods for organizing Kala Dhaka villages. In addition, KDADP possesses a trained and experienced staff of technical advisors and community organizers. The developmental efforts of this staff has won the support of the participating villagers, support which will undoubtedly have multiplier effects throughout the project area. The challenge for the GONWFP and the donors is to continue support of a Kala Dhaka Field Management Team through any of the institutional options discussed below to ensure that the hard won momentum of KDADP and the support of its constituents is not compromised.

OPTION #1: AN AUTONOMOUS NGO

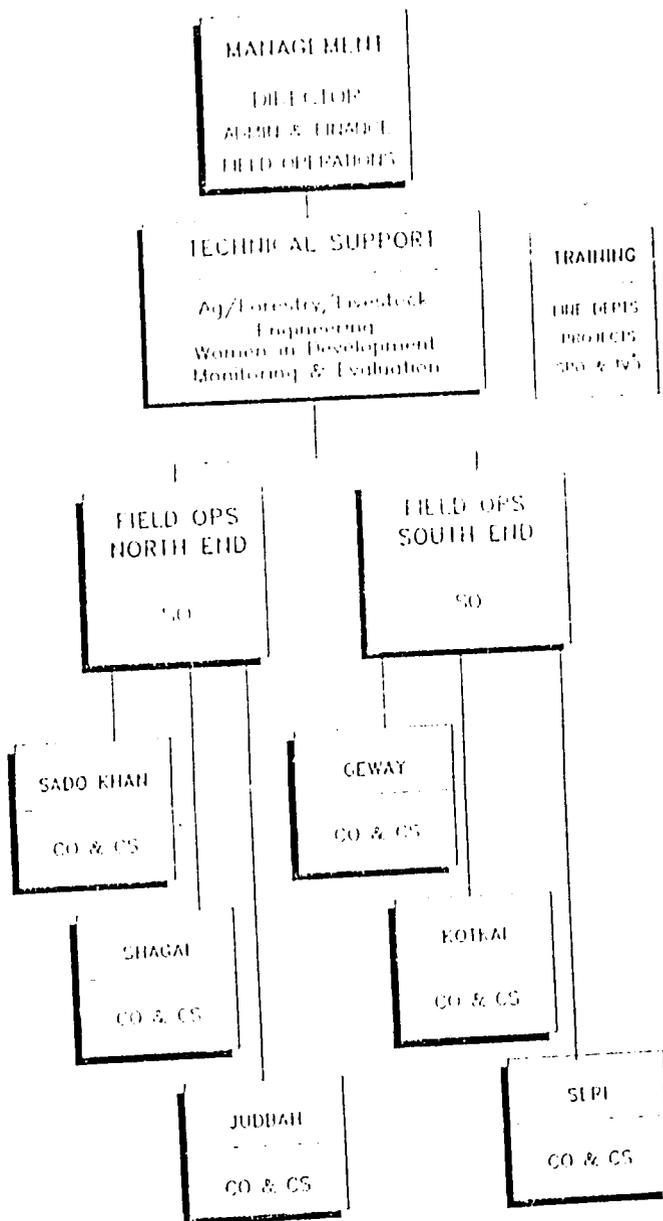
This option provides for the transformation of KDADP into a service NGO that is autonomous in its financing, management and operations. In the time remaining to the project's PACD, USAID and GONWFP will support the establishment of Mansehra-based NGO to be known as the Kala Dhaka Area Support Program (KDASP). Because time is short and the procedures to establish a legal entity in Pakistan are lengthy, USAID could seek institutional sponsorship for KDASP from an existing local NGO. SRSC, as a USAID supported NGO, would be an appropriate sponsor.

Organization and Management

The organizational framework for the KDASP is illustrated in Figure 1. A Field Management Team headed by a Program Director will oversee a Technical Support section and Field Operations section for the promotion of Village Organizations and Women's Organizations (VOs/WOs) in Kala Dhaka (a complete staffing table is presented in Annex D). The Program Director will report to the SRSC Board of Directors, through a Chief Executive Officer, appointed by the Board from Among its membership. The Program Director will also represent KDASP to donors and GONWFP, including the heads of the line departments that have jurisdiction over Kala Dhaka.

The KDASP organizational framework is consistent with the existing KDADP

FIGURE 1
 ORGANIZATIONAL FRAMEWORK FOR
 KALA DHAKA FIELD MANAGEMENT TEAM



"development cluster" model with the exception of the Mada Khel cluster. The people of Mada Khel have refused to support KDADP community participation initiatives until the Maira-Mada Khel Road (a.k.a., West Bank Road) is constructed.¹

Each village cluster will have a full time Community Organizer (CO) and Construction Supervisor (CS) who reside in the main village of each cluster. The COs and CSs of the three village clusters at the north end of Kala Dhaka (i.e., the area accessible from Thakot) and the COs and CSs of the three village clusters at the south end of Kala Dhaka (i.e., the area accessible from Darband) will be supervised by one of two senior Social Organizers (SO) residing in Thakot and Darband respectively.

The technical support staff of KDASP will include:

- o a senior Agronomist who will supervise two Social Forestry/Range Management Assistants and a Livestock Assistant;
- o a senior Engineer who will supervise a Survey and Design Team consisting of a Surveyor, a Draftsman and a Cost Estimator;
- o one senior WID specialist with a background in midwife training; and maternal and child health, and one senior WID specialist with a background in income generation or non-formal education; and
- o a senior social scientist/economist to supervise monitoring and evaluation of community participation initiatives.

Senior technical staff will provide evaluation, design, implementation and monitoring services in the field to projects initiated by Kala Dhaka VOs/WOs as required. In addition, the Technical Support section, under the supervision of the Program Director, will conduct specialized training for staff and VO/WO membership. Through the Program Director, the Technical Support section will have the ability to contract additional specialized training services from government line agencies, SRSC, the Small Projects Office (SPO), the Trust for Voluntary Organizations (TVO) and other related donor-funded projects.

A Field Operations Director will be responsible for the day-to-day operations of

¹ A PC-1 for this project was developed by GONWFP for funding under Phase II of the Kala Dhaka Component of the North West Frontier Area Development Project (NWFADP). USAID subsequently withdrew support for Phase II. Under MVSP, the Islamic Development Bank may fund the construction of the West Bank Road enabling a Kala Dhaka Field Management Team to extend community participation efforts to the Mada Khel tribal area.

SOs, COs and CSs, and for coordinating the support of senior technical staff for all field activities. A Director of Administration and Finance and his support staff will manage all KDASP funds, supervise expenditures, maintain accounts and provide the appropriate financial reports to all donors.

Costs and Financing

Illustrative annual operations, commodity and recurrent costs for the KDASP Field Management Team over a two year period are presented in Annex F. The CEO will coordinate all KDASP fund raising by the SRSC Board with donors and the Government.

USAID will be required to provide bridge funding for some or all of the Field Management Team's operational costs for up to two years beyond the KDADP PACD. This bridge funding is necessary to guarantee the continuity of the existing community participation program while KDASP develops its capacity to function as an effective service NGO. Funds earmarked for this purpose could be provided by USAID to SRSC. SRSC would administer these funds for the specified bridging period.

Benefits

Of the three options for privatization identified, Option #1 holds the most promise for the continuity of KDADP's village organization activities and the protection of USAID's investment in Kala Dhaka development. This option also provides the greatest opportunity for an orderly transition from a multi-sectoral project operated by the PCU/TAT to a targeted program of VO/WO support operated by a service NGO. Option #1 utilizes much of the existing KDADP field and technical staff, who have built up a valuable rapport with the inhabitants of Kala Dhaka, and builds on the organizational and methodological framework for village organization that has evolved through the life of the project.

While the Kala Dhaka approach to village organization is largely modelled on the approach of AKRSP in Gilgit, it is an approach that has been adapted to the particular set of social, cultural and physical conditions unique to Kala Dhaka. USAID's support to the development of an autonomous KDASP would enable the Field Management Team to test and refine this approach, and to ultimately develop a model of support to VOs/WOs that is an alternative to the AKRSP model.

Risks

The risks attached to Option #1 are few but significant. They revolve largely

around the timely constitution of KDASP as a legal entity. Together, USAID, GONWFP and the SRSC Board will have to agree to the terms of sponsorship as quickly as possible so that the privatization of KDADP can proceed in an orderly fashion. The continuity of project activities is crucial to building the confidence of Kala Dhaka villagers in the process of participatory development.

Timetable

The PACD for the KDADP is August 9, 1993. The contract with the DAI Technical Assistance Team expires on May 9, 1994. An additional three month option period has been budgeted for the technical assistance contract through the project PACD.

Following their approval of a privatization plan (October 1992), USAID and GONWFP will establish terms of sponsorship for KDASP with the SRSC. Once a legal entity has been established, USAID, GONWFP and the SRSC Board membership will begin the search for a KDASP Program Director. This search should be completed no later than April, 1993. USAID will add funds to the KDADP contract to cover the salary of the Program Director from April 1, 1993. USAID will also add funds to the KDADP contract to finance two months of intensive orientation/training for the Program Director in a variety of Village Organization methodologies. This program will include in-country training (e.g., AKRSP, OPP, SRSC and SPO programs) as well as out-of-country programs (e.g., Nepal, Bangladesh and Sri Lanka). Coverdale will contract its services to KDADP to set up the Program Director's orientation and training.

By January, 1993, the KDADP Project Manager and TAT Chief of Party together will consolidate project staff to constitute the Technical Support and Field Operations sections of the Kala Dhaka Field Management Team. This early constitution of the Technical and Field Operations section will enable the PCU/TAT to maintain the commitment of existing KDADP staff to the privatization process and ensure continuity of VO/WO efforts during the privatization process².

² The current KDADP arrangement whereby the project's Construction Supervisors are managed by the PCU Engineering Section and the remaining community participation field staff (Social Organizers, Community Organizers and WID Specialists) are managed by the TAT has not been effective. Shared management of the small rural infrastructure works within the context of KDADP's village organization efforts has resulted in implementation delays. These delays inevitably compromise the commitment of villagers to contribute their own resources and labor. This proposal recommends the reconstitution the Technical Support and Field Operations section under a single system of management well before the privatization process is completed.

By May 15, 1993, the KDASP Program Director will take up his position in the offices of the KDADP PCU/TAT. During the TAT contract option period (May 9 - August 9, 1993), the TAT Chief of Party will serve as an Advisor to the Program Director to ensure the continuity of the project's VO/WO support activities during the privatization process. The COP will assist the Program Director to recruit the directors of Administration and Finance and Field Operations. In May 1993, the PCU will begin settling its accounts with those line departments implementing KDADP activities, and transferring project assets to the KDASP Management section. The FCU will cease its operations on August 9, 1993. Should USAID decide to extend the KDADP PACD, this extension should be utilized exclusively to support the privatization of KDADP, i.e., support for the establishment of the KDASP. Under these circumstances, USAID may exercise its option to extend the TAT contract to continue the position of the Advisor to the KDASP Program Director for an additional six to twelve months. If USAID does not exercise this option, the KDADP TAT will cease its operation on August 9, 1993.

OPTION #2: COMPONENT OF SRSC

Under this option, KDADP will be incorporated into the organization and management structure of SRSC Peshawar as a project component serving the Kala Dhaka region. The Kala Dhaka Field Management Team will draw on SRSC resources for training, research, monitoring and evaluation as well as technical services to expand its existing program of participatory development.

Organization and Management

The Chief Executive of SRSC will have management oversight of the Kala Dhaka component. An SRSC Regional Program Officer (RPO), in the place of a Program Director, will manage the Kala Dhaka component according to the procedures established for SRSC's Kohat and Charsadda components, e.g.:

- o identify and promote village and beneficiary groups of men and women (i.e., Village Organizations/Women's Organizations);
- o assist VOs to identify and implement small-scale infrastructure development that benefits the membership of the VO;
- o link GONWFP line departments to the VOs and WOs to carry out training of village specialists, to demonstrate new crop and livestock technology and to implement a savings and credit program; and

- o assist VOs and WOs to institutionalize their activities as community-based participatory NGOs.

The organization and staffing pattern of the Kala Dhaka Field Management Team described in Option #1 is designed to provide a balanced coverage of the region, and to deliver VO/WO support services adapted to the region's social and physical conditions. SRSC may wish to alter the Team's staffing pattern to correspond more closely with its own management structure and implementation methods.

Costs and Financing

The Kala Dhaka Field Management Team budget presented in Annex F illustrates the estimated annual costs of operating a VO/WO support program over a five year period under Option #1. Under Option #2, USAID will be required to increase its funding to SRSC to support SRSC's incorporation of the Kala Dhaka program. SRSC's CEO will determine the level of effort required to provide support services to Kala Dhaka that are consistent with SRSC's other component programs. This decision will determine the level of additional funding required from USAID. In addition, SRSC will have the ability to raise funds from other donor, government or private sources specifically earmarked for its Kala Dhaka component (e.g., funding available for poppy control remote area development).

Benefits

Of the three options identified, Option #2 offers the most secure institutional framework for KDADP privatization. SRSC's agreement to integrate Kala Dhaka into its program will eliminate the need for USAID and GONWFP to constitute a separate NGO as a vehicle for continuing support to community-based participatory development in Kala Dhaka. Because of its visibility, and the strength of its Board, SRSC will have greater access to government and donor funding than an independent KDASP. As an operational unit of the SRSC, the Kala Dhaka Field Management Team will have direct access to SRSC management, training and technical assistance resources. Because of this access, the team will have opportunities to expand the existing KDADP community participation program: to include a broader scope of local development activities such as rural credit, women's non-formal education and technical training. These resources and opportunities may not be as readily accessible to the Team under an autonomous institutional framework.

Risks

SRSC is a fledgling organization. Under a pressing deadline, USAID and

GONWFP have invested considerable resources to make SRSC operational. While SRSC has successfully established its program in Kohat and Charsadda, the sustainability of the program will require intensive management to ensure that all participants -- staff, government line departments and beneficiaries -- adhere to SRSC's strategy. At the same time, an increasing number of donors are looking to SRSC to provide the institutional framework for their own project implementation in NWFP. These include IFAD for the Mansehra Village Support Project (MVSP), ADB for the Barani Area Development Project and SDC for the Swabi Irrigated Agriculture Project. Despite the apparent willingness of these donors to support an expansion of SRSC's management structure and technical resources, SRSC may not be able to maintain the quality or integrity of its operation if it expands its portfolio of activities so widely and rapidly.

Timetable

The proposed timetable for Option #2 follows that of Option #1 closely. The SRSC CEO, in consultation with GONWFP and with the approval of the SRSC Board, will select a Regional Program Officer to head up the Kala Dhaka component by April 1993. The RPO candidate will undergo a program of orientation and training organized by SRSC and take up his post by May 15, 1993. Early in 1993, the SRSC CEO will advise the KDADP PCU/TAT on the level of effort required to implement SRSC's Kala Dhaka program and the PCU/TAT will consolidate its technical and field staff accordingly by May 1993. In the three months leading up to the project PACD, the PCU/TAT will turn over all KDADP assets to SRSC and complete the phasing out of project activities.

As in Option #1, the TAT Chief of Party will serve as an Advisor to the SRSC RPO to ensure the continuity of the project's VO/WO support activities. Should USAID decide to extend the KDADP PACD, it may exercise its option to extend the TAT contract to continue the position of the Advisor to the SRSC RPO for an additional six to twelve months. If USAID does not exercise this option, both the PCU and TAT will cease operations on August 9, 1993.

OPTION #3: IFAD/MANSEHRA VILLAGE SUPPORT PROJECT

The Mansehra Village Support Project (MVSP) is a 5 year (1993-1998), \$20 million project that seeks to implement a broad program of technical interventions in 300 villages throughout Mansehra District utilizing the participatory approach to village level development. The project has been designed so that SRSC would play a principal role in assisting target group communities to organize themselves into VOs and WOs. The goal of MVSP is to intensify and improve practices in crop and

livestock production, in social forestry, land use and environmental conservation and in a range of income generating, welfare and social advancement activities for women. SRSC will coordinate the technical inputs of the project -- provided by government line departments -- to target communities through its initial Productive Investment strategy.

MVSP will be implemented in phases over four project zones (see Annex G for a map of the proposed project zones). Project activities have been planned for Kala Dhaka as part of the Darband Zone project implementation. These activities have been scheduled for 1999-2005, after the project has gained implementation experience in more accessible areas of Mansehra District.

While in Pakistan, the IFAD/MVSP Appraisal Team expressed strong interest in building on an existing capacity, i.e., KDADP, for the implementation of MVSP-supported activities in Kala Dhaka. The Appraisal Team's interest raises the possibility of alternative funding for the Kala Dhaka Field Management Team to support the privatization process.

Organization and Management

As in Option #1, USAID would encourage SRSC Board sponsorship for a legal entity chartered to provide participatory development support to Kala Dhaka VOs and WOs. The organizational framework of this entity would be identical to that outlined in Option #1, including a CEO appointed by the SRSC Board from among its members, a Management Section headed up by a Program Director, and Technical and Field Operations sections staffed according to the requirements of the Kala Dhaka component of MVSP. The size and scope of activities of the Field Management Team would not necessarily be limited by the schedule of MVSP implementation. Other donors may become interested in supporting VO and WO activities in Kala Dhaka (e.g., donors dedicated to controlling the spread of poppy cultivation), or specific aspects of VO and WO activities (e.g., savings and credit programs, non-formal education programs).

In addition, an established and experienced Field Management Team in Kala Dhaka could provide support to the MVSP activities that SRSC will implement from Darband and Balakot field offices in areas adjacent to Kala Dhaka.

Together, SRSC and the Kala Dhaka Field Management Team will implement MVSP as partners. However, because of SRSC's overall responsibilities to the project, its management of the Kala Dhaka entity will follow the pattern outlined in Option #2.

Costs and Financing

The Field Management Team budget in Annex F indicates only illustrative costs. The composition of the Team and the support that is available to them will depend largely on the requirements for implementing the Kala Dhaka component of MVSP. The MVSP implementation schedule has not yet been fixed. If IFAD is not willing to support a Kala Dhaka VO/WO service NGO until later in the MVSP implementation schedule (e.g., 1995-1996) USAID could provide bridging funds through SRSC until the time that IFAD has agreed to support the Kala Dhaka Team.

Benefits

The exercise of Option #3 would benefit both USAID and IFAD. From the USAID perspective, another donor would support the continuity of KDADP and build upon USAID's initial investment in the area. From the IFAD perspective, MVSP would benefit from having an experienced and seasoned Field Management Team to implement a project component in a manner consistent the objectives of the project.

Risks

MVSP is an ambitious project. Kala Dhaka may prove the strongest challenge of the project designers' strategy for improving line department services to rural populations through VOs and WOs. There is no guarantee that IFAD could live up to a commitment to a Kala Dhaka entity for an activity that is not scheduled to commence until half-way through the life of the project.

Timetable

USAID, SRSC and IFAD will have to coordinate closely on the timing of support to a Kala Dhaka entity for the implementation of MVSP. The establishment of the entity will follow the timetable outlined in Option #1, as will the consolidation of the Field Management Team. As in Option #1 and #2, the donors will want to consider extending the position of the KDADP Chief of Party as an advisor to the Program Director for up to a year to support the continuity of KDADP village organization efforts and the privatization process.

CONCLUSIONS AND RECOMMENDATIONS

USAID looks to the support and strengthening of community-based participatory development organizations as the most effective means of sustaining its

area development initiatives in Pakistan. The initial success of SRSC and KDADP in promoting village organization suggests that this is a viable strategy. However, sustained training and technical assistance will be required to build the management and organizational capacity of indigenous NGOs to provide development services to village organizations.

The privatization of the KDADP is an effective strategy for supporting village organizations in Kala Dhaka. The strategy builds on an existing model and an experienced team of technical experts and community organizers who have built up a rapport with the inhabitants of Kala Dhaka.

As noted above, Option #1, an autonomous service NGO established with SRSC, holds the most promise for the continuity of KDADP's village organization activities and the protection of USAID's investment in Kala Dhaka development. This option also provides the greatest opportunity for an orderly transition from a multi-sectoral project operated by the PCU/TAT to a targeted program of VO/WO support operated by a service NGO.

Option #2, the integration of the KDADP program of community participation directly into SRSC's organization, also provides strong guarantees for the continuity of KDADP's efforts. However, the level of management required to continue these efforts may overtax SRSC's already burdened management structure.

Option #3, IFAD support to a privatized KDADP for the implementation of the Kala Dhaka component of MVSP, requires further negotiation with IFAD. Without assurances and clear timetable for IFAD support, village organizations efforts in Kala Dhaka may stall and participants will lose interest. In addition, MVSP's reliance on line department support to VOs/WOs will represent a major obstacle to the promotion of successful community participation. Lessons learned from KDADP point up the poor ability of line departments to provide the necessary level of effort to support donor development initiatives in Kala Dhaka. Option #3 also places considerable burden on the SRSC management structure. However, SRSC appears fully committed to the implementation of MVSP. SRSC may succeed in developing the sufficient resources to manage a Kala Dhaka component by the time it is scheduled for implementation.

Any of the options discussed will require strong management to move the privatization process forward. For this reason, donors must be prepared to support the position of an expatriate advisor during the transition period from project to service NGO. This individual should have the experience in NGO management and project implementation to support the Program Director in keeping the Kala Dhaka village organization activities running while USAID, GONWFP, SRSC and other involved donors establish the terms of KDADP privatization.

ANNEXES

BEST AVAILABLE DOCUMENT

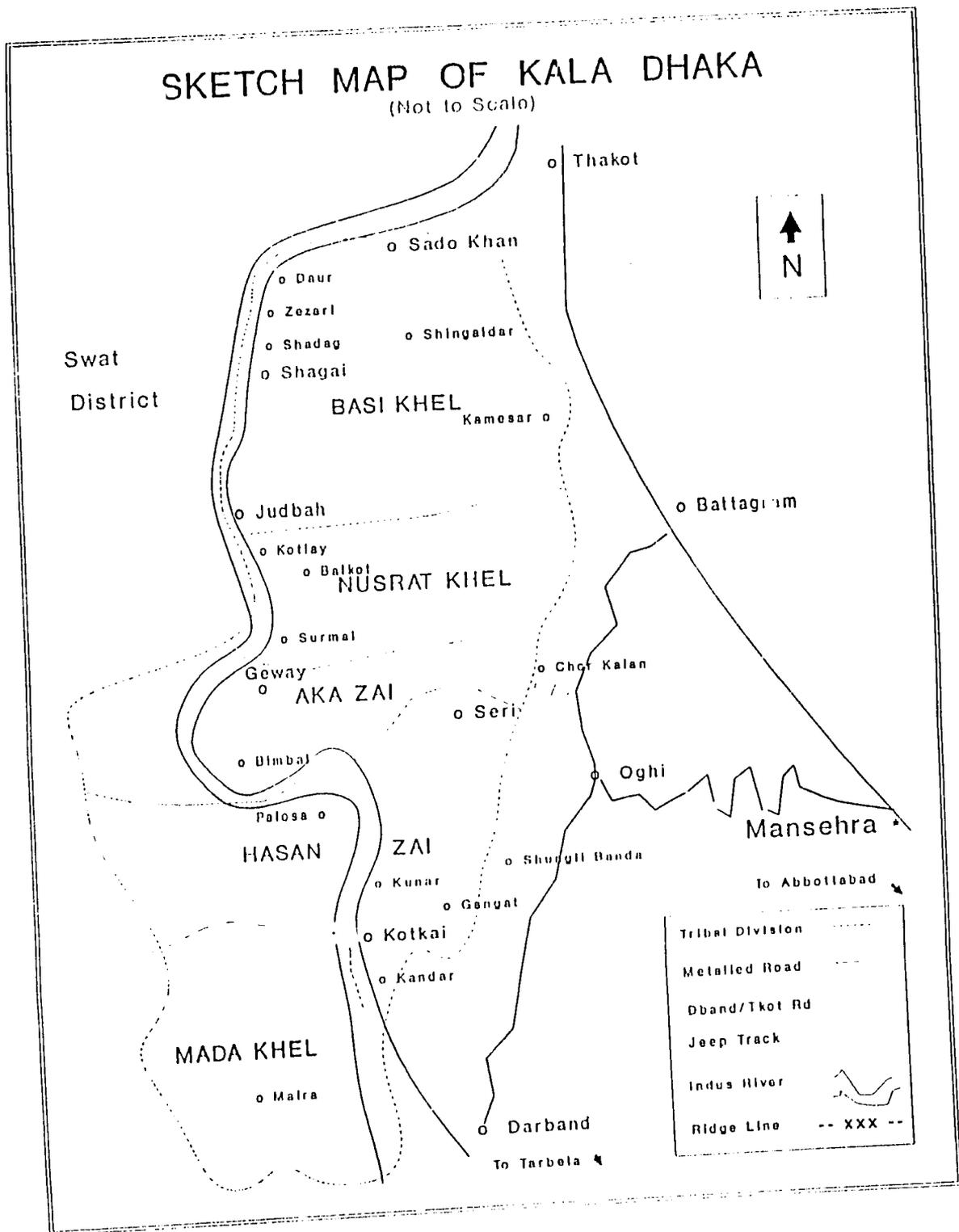
ANNEX A

KALA DHAKA VILLAGE DEVELOPMENT CLUSTERS

CLUSTER	REGION	TRIBE	VILLAGES	Villages per Cluster
SADO KHAN	Kekool	Basi Khel & Sitanadar	Taralla, Sado Khan, Dambosa, Badar, Gul Dherai, Matore, Karai, Tuss Maldan, Kand, Garha, Daur	12
SHAGAI	Bagora	Basi Khel & Sitanadar	Jiggai, Suray Kambar, Kotkay, Dherakal, Shahdag, Kandar, Nilla, Chardara, Shagai, Pitao Asharai, Suray Asharai	11
JUDBAH	Judbah-Kotlai	Basi Khel & Nusrat Khel	Bar Kilay, Mianz Kilay, Kuz Kilay, Garhal, Maira, Gumbat, Kotlai, Balkot	8
GEWAY	Shaal Khurwah	Akazai & Hasanzai	Darbanrai, Geway, Khadang, Surmal, Naranj, Laid, Lashora, Bikyanra, Jango, Hiway Kilay, Dadum, Machhra/Bakrai	12
KOTKAI	Riverside	Hasanzai	Kandar, Khanano Kilay, Tuara, Kotkay, Peza, Klanrai, Kanar Sharif, Ghazlkot, Kunarai, Dherai, Marerh, Nadrai	12
SERI	Highlands	Hasanzai & Akazai	Sillay Kalu Khan, Karoon, Warha Seri, Ghatta Seri, Kohanai, Mehrabad, Morata, Bar Kand, Kuz Kand, Toram	10
Total Number of Villages				65

SKETCH MAP OF KALA DHAKA

(Not to Scale)



BEST AVAILABLE DOCUMENT

ANNEX B

KDADP COMMUNITY PARTICIPATION ACTIVITIES
SUMMARY OF PROGRESS TO DATE
(November 1991 - June 1992)

VILLAGE ORGANIZATIONS ESTABLISHED	25
SMALL RURAL WORKS PROJECTS	
Identified	25
Initiated	13
Completed	1
TRAINING	
Number of courses/Trainees	
- Agriculture	3/25
- TBA Training (WID)	2/44
- Kitchen Gardening (WID)	4/159
INCOME GENERATION	
Number of Units/Beneficiary Households	
- Mulberry & Poplar Trees	16,000/559
- Fruit Trees	13,178/280
- Fayoumi Poultry	11,778/1963
BENEFICIARIES	
Total Project Area Households (approx.)	29,139
Total Households of Villages Organized	3,691
As Percentage of Project Area	12.6%

B-1

BEST AVAILABLE DOCUMENT

**SUB-PROJECT STATUS, KDADP
AS 30 JUNE 1992**

I.#	SUB-PROJECT NAME	TRIBE	DATE TAT APPROVAL	DATE USAID APPROVAL	FORMATION OF VAC	WORK STARTED	ESTIMATED COST	REMARKS
1	WSS KANDAR	HZ	05-Dec-90	26-Mar-92	17-Dec-90	03-Jan-91	209,712.00	COMPLETE (He 226,000) Actual cost
2	WSS SADO KHAN	BK	09-Dec-90	26-Mar-92	07-Jan-91	02-Feb-91	99,973.00	97% COMPLETE
3	WSS SHAGAI	BK	20-Aug-91	20-May-92		01-Sep-91	380,090.00	25% COMPLETE
4	WSS SHAHDUG	BK	20-Aug-91	20-May-92		01-Sep-91	147,600.00	45% COMPLETE
5	WSS BHU JUBBAH	BK	20-Aug-91	20-May-92	07-May-92	30-Jun-92	80,000.00	ORDER CONSTRUCTION
6	WSS BERAHAI	BK	30-Apr-92		23-Jun-92	24-Jun-92	7,300.00	ORDER CONSTRUCTION
7	REPAIR & WSS BHU SHAGAI	BK	11-Dec-91	26-Mar-92	13-Jun-92	30-Jun-92	58,600.00	WORK STARTED
8	WSS IKK	HZ	24-Oct-91	26-Mar-92	29-Oct-91	29-Oct-91	65,254.00	85% COMPLETE
9	REPAIR GPS	HZ	12-Feb-92	26-Mar-92	20-Jun-92	19-Jun-92	7,015.00	WORK STARTED
10	WSS BALKOT COLONY	NK	06-Mar-91	11-Nov-91	25-Aug-91		192,262.00	50% COMPLETE
11	WSS BALKOT VILL.	NK	25-Aug-91	26-Mar-91	25-Aug-91		172,235.00	1% COMPLETE
12	IC SADO KHAN	BK	03-May-92	20-May-92	08-Jun-92	26-Jun-92	412,100.00	WORK STARTED
13	WSS KANDAR	BK	Sep-91	06-Feb-92			560,000.00	NEED FORMATION OF VAC
14	WSS BHU DAUR	BK	05-May-92	20-May-92	09-Jun-92		130,500.00	NEED EXECUTION
15	WSS MATORE	BK	09-Jun-92		09-Jun-92		215,850.00	NEED EXECUTION
16	REPAIR BHU JUBBAH	BK	11-Dec-91	26-Mar-92	07-May-92	30-Jun-92	91,240.00	WORK STARTED
17	REPAIR BHU DAUR	BK	05-May-92	20-May-92	09-Jun-92		65,100.00	NEED EXECUTION
18	WSS PALOSA #3	HZ	01-Jun-92		29-Apr-92		165,400.00	NEED EXECUTION
19	REPAIR GPS KOTKAY	HZ	21-Jun-92				26,400.00	NEED VAC AND EXCAVATION
20	IC SHAHDUG-KANDAR	BK	03-May-92	20-May-92			474,000.00	NEED VAC AND EXECUTION
21	IC MANGHAI	BK	20-Jun-92				790,000.00	NEED VAC AND EXECUTION
22	IC BARTOON	BK	30-Jun-92				1,063,800.00	VAC AND EXECUTION REQU
23	IC KOTKAY	HZ	03-May-92		03-Jun-92		225,000.00	NEED VAC AND EXECUTION
24	IC KANAR SHARIF	HZ	03-May-92	20-May-92			306,000.00	NEED VAC AND EXECUTION
25	IC MAIRA KHANKHEL	HZ	20-Jun-92				504,900.00	NEED VAC AND EXECUTION

P12SP5181 WK1

BEST AVAILABLE DOCUMENT

ANNEX C
KDADP CURRENT STAFFING

PROJECT COORDINATION UNIT

DESIGNATION	GRADE	NO
Project Manager	18/19	1 (GOP-funded)
Senior Engineer	18	1
Agronomist	18	1
Junior Engineer	17	1
Accountant	17	1 (position vacant)
Office Superintendent	16	1
Cashier	11	1
Sub-Engineer	11	2
Draftsman	11	1
Surveyor	11	1 (temp vacant)
Computer Operator	11	1
Typist	8	3
Senior Clerk	7	2
Driver	6	6
Junior Clerk	5	2
Naib Qasid	1	6
Chowkidar	1	4
Mali	1	1
Auto Mechanic	11	1
Program Officer (Part time working for KD, sits in SDU)		1
Assistant Program Officer (Full time working for KD, sits in SDU)		
Sub-total		39

C-1

BEST AVAILABLE DOCUMENT

TECHNICAL AASSISTANCE TEAM

DESIGNATION	GRADE	NO
PROFESSIONAL STAFF:		
Chief of party (ex-pat)		1
Agronomist		1
Civil Engineer		1
Construction Supervisors		7
Social Scientist		1
Social Organizers		2
Community Organizer		7
WID Specialist		2
ADMINISTRATIVE STAFF:		
Office Manager		1
Accounts Manager		1
Computer Trainer		1
Secretary		1 (position vac nt)
Administrative Clerk/Typist		1
Drivers		6
Mall		1
Sweeper		1
Cook/Caretaker		2
Asslstant to cook		1
Messenger		1
	Sub-total	39
	TOTAL	78

ANNEX E

SUMMARY INVENTORY OF KDADP ASSETS

The following is an illustrative list of the major assets with KDADP. A

ANNEX D

KALA DIHAKA AREA SUPPORT PROGRAM
MANAGEMENT AND OPERATIONS STAFF REQUIREMENTS

MANAGEMENT SECTION

- 1 Project Director
- 1 Administration & Finance Director
- 1 Field Operations Director
- 1 Accountant
- 1 Office Manager
- 1 Bookkeeper
- 1 Secretary
- 2 Clerk/Computer Operators
- 2 Drivers

TECHNICAL SUPPORT SECTION

- 1 Agronomist
- 1 Livestock/Animal Husbandry Specialist
- 2 Social Forestry/Range Management Specialist
- 1 Civil Engineer
- 1 Surveyor
- 1 Draftsman
- 1 Cost Estimator
- 2 WID Specialists
- 1 Social Scientist/H&E Specialist
- 2 Clerk/Computer Operators
- 2 Drivers

FIELD OPERATIONS SECTION

- 2 Social Organizers
- 6 Community Organizers
- 6 Construction Supervisors
- 4 Drivers

SUPPORT STAFF

- 15 Watchman (Office & 8 Field Facilities)
- 1 Janitor
- 1 Gardener
- 1 Peon

ANNEX F
KALA DHAKA AREA SUPPORT PROGRAM
ILLUSTRATIVE BUDGET

BEST AVAILABLE DOCUMENT

OFFICE SUPPLIES

Miscellaneous stationary, computer paper, printer ribbons, computer diskettes, paper trays, pens, pencils, markers, etc.

SURVEY/DESIGN EQUIPMENT

- 2 Electronic Distance Measuring Sets
- 3 Leveling Instruments
- 2 Scientific Calculators
- 3 Ranging Rod
- 5 Levelling Staves (Steel)
- 6 Tripods (steel)
- 1 Survey Umbrella
- 4 Measuring Tape (100 ft)
- 1 Table Sharpener
- 1 Drafting Table (Steel)
- 1 Drafting Table (Wood)
- 2 Drafting Chairs
- 2 Office Tables
- 1 Metal Cabinet

HOUSEHOLD FURNITURE

3 Sets of Household Furniture (USAID Standard)

- Furnishings for 2 field staff houses
- steel framed charpoys
 - pedestal fans
 - tables and chairs
 - crockery
 - kerosene heaters

FIELD EQUIPMENT

Miscellaneous sleeping bags, back packs, first-aid equipment, canteens, kerosene lamps, chicken coops, metal trunks, etc.

ILLUSTRATIVE BUDGET

KALA DHAKA FIELD MANAGEMENT TEAM

June 1993 - June 1995

PARAMETERS:

26 da = 1 month
 Salary - inflation/ = 5 %
 Other - inflation/ = 5 %

		YEAR 1	YEAR 2	TOTAL
SALARIES:				
MANAGEMENT SECTION				
1 Program Director	\$1,000 /mo	12,000	12,600	24,600
1 Admin & Fin Director	\$650 /mo	7,800	8,190	15,990
1 Field Operations Director	\$650 /mo	7,800	8,190	15,990
1 Accountant	\$400 /mo	4,800	5,040	9,840
1 Office Manager	\$360 /mo	4,320	4,536	8,856
1 Bookkeeper	\$350 /mo	4,200	4,410	8,610
1 Secretary	\$320 /mo	3,840	4,032	7,872
2 Clerks/ Computer Operators	\$280 /mo	6,720	7,056	13,776
2 Drivers	\$160 /mo	3,840	4,032	7,872
TECHNICAL SUPPORT SECTION				
1 Agronomist	\$650 /mo	7,800	8,190	15,990
1 Livestock/Animal Husbandry Specialist	\$250 /mo	3,000	3,150	6,150
2 Social Forestry/Range Management Specialists	\$250 /mo	6,000	6,300	12,300
1 Civil Engineer	\$650 /mo	7,800	8,190	15,990
1 Surveyor	\$225 /mo	2,700	2,835	5,535
1 Draftsman	\$225 /mo	2,700	2,835	5,535
1 Cost Estimator	\$225 /mo	2,700	2,835	5,535
2 WID Specialists	\$600 /mo	14,400	15,120	29,520
1 Social Scientist/M&E Specialist	\$500 /mo	6,000	6,300	12,300
2 Clerk/Computer Operators	\$280 /mo	6,720	7,056	13,776
2 Drivers	\$160 /mo	3,840	4,032	7,872
FIELD OPERATIONS SECTION				
2 Social Organizers	\$480 /mo	11,520	12,096	23,616
6 Community Organizers	\$350 /mo	25,200	26,460	51,660
6 Construction Supervisors	\$300 /mo	21,600	22,680	44,280
4 Drivers	\$160 /mo	7,680	8,064	15,744
SUPPORT				
15 Watchmen	\$85 /mo	15,300	16,065	31,365
1 Janitor	\$80 /mo	960	1,008	1,968
1 Gardener	\$80 /mo	960	1,008	1,968
1 Peon	\$80 /mo	960	1,008	1,968
TOTAL SALARIES:		\$203,160	\$213,318	\$416,478

BEST AVAILABLE DOCUMENT

26

TRAINING & CONSULTANTS:		12,000	12,000	24,000
TOTAL TRAINING & CONSULTANTS:		12,000	12,000	24,000
COMMODITIES:				
Vehicle Replacement (4)	\$17,500 /ea	0	35,000	35,000
Office Equip: replace copier/computers		0	5,000	5,000
Construction Materials	50 subprojects @ \$10,000/ea	500,000	500,000	1,000,000
Training & Demonstration Supplies		8,000	8,000	16,000
TOTAL COMMODITIES:		\$508,000	\$548,000	\$1,056,000

PER DIEM ALLOWANCES:

MANAGEMENT SECTION:				
3 Staff @ \$17/day; 2 days/mo	\$102 /mo	3,672	3,856	7,528
3 Staff @ \$14/day; 3 days/mo	\$126 /mo	4,536	4,763	9,299
2 Drivers \$14/day; 12 days/mo	\$336 /mo	12,096	12,701	24,797
TECH SUPPORT SECTION				
11 Staff @ \$14/dy; 10 dys/mo	\$1,540 /mo	55,440	58,212	113,652
2 Drivers@ \$14/dy; 14 dys/mo	\$392 /mo	14,112	14,818	28,930
FIELD OPER SECTION				
14 Staff @ \$14/dy; 8 dys/mo	\$1,568 /mo	56,448	59,270	115,718
2 Drivers@ \$14/dy; 14 dys/mo	\$392 /mo	14,112	14,818	28,930
TOTAL PER DIEM:		\$160,416	\$168,437	\$328,853

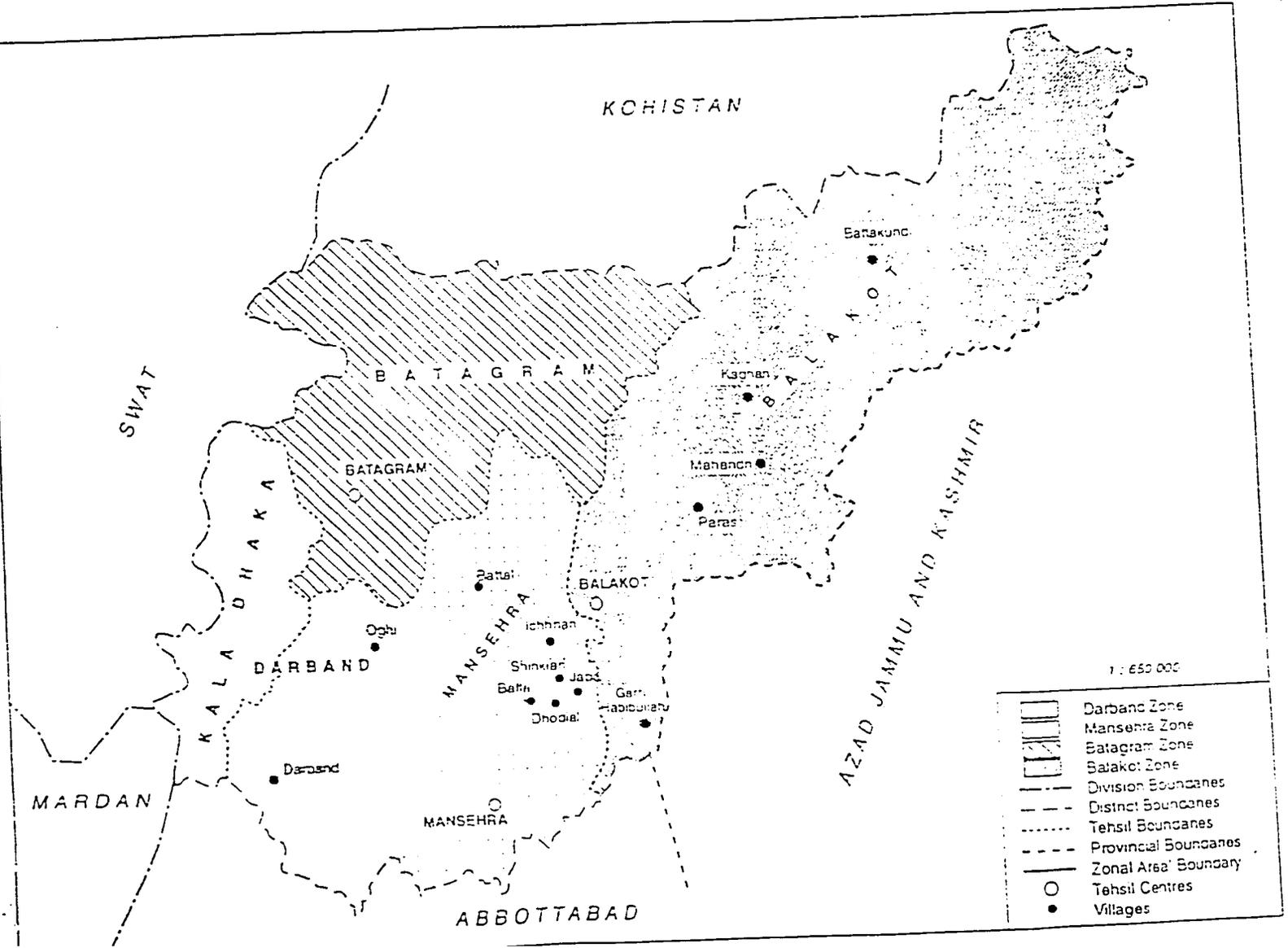
OTHER DIRECT COSTS:

Vehicle Expenses:				2,460
Misc. Travel Exp	\$100 /mo	1,200	1,260	12,989
Vehicle Rental (Jeep/Boat/Portage)	\$528 /mo	6,336	6,653	36,900
Fuel/Major Repair	\$1,500 /mo	18,000	18,900	13,284
Reg Maint/Tires	\$540 /mo	6,480	6,804	
		\$32,016	\$33,617	\$65,633

Buildings:				
Mansehra Office	\$400 /mo	4,800	5,040	9,840
Motorpool	\$90 /mo	1,080	1,134	2,214
2 Field Offices	\$120 /mo	1,440	1,512	2,952
Maintenance	\$175 /mo	2,100	2,205	4,305
Furniture/repairs	\$100 /mo	1,200	1,260	2,460
Utilities:				
Electric	\$400 /mo	4,800	5,040	9,840
Kerosene (heat/lights)	\$100 /mo	1,200	1,260	2,460
		\$16,620	\$17,451	\$34,071
Office/Field Costs:				
Office Supplies	\$693 /mo	8,316	8,732	17,048
Equipment Rental	\$75 /mo	900	945	1,845
Misc Logistical Costs	\$240 /mo	2,880	3,024	5,904
Communications				
Telephone	\$800 /mo	9,600	10,080	19,680
Fax	\$125 /mo	1,500	1,575	3,075
Delivery	\$50 /mo	600	630	1,230
		\$23,796	\$24,986	\$48,782
TOTAL OTHER DIRECT COSTS:		\$72,432	\$76,054	\$148,486
SUMMARY:				
TOTAL SALARIES		\$203,160	\$213,318	\$416,478
TOTAL TRAINING/CONSULTANTS		12,000	12,000	24,000
TOTAL COMMODITIES		\$508,000	\$548,000	\$1,056,000
TOTAL PER DIEM		\$160,416	\$168,437	\$328,853
TOTAL OTHER DIRECT COSTS		\$72,432	\$76,054	\$148,486
TOTAL		\$956,008	\$1,017,803	\$1,973,816

ANNEX G
MAP OF PROPOSED IFAD/MANSEHRA VILLAGE SUPPORT PROJECT AREA

BEST AVAILABLE DOCUMENT



ANNEX II
SCOPE OF WORK

The Consultant's expertise is primarily required to:

1. Develop a detailed systematic plan laying out steps involved in the transformation of the Kala Dhaka project into an NGO.
2. The plan should include:
 - a. the description of a Field Management Team transformed from the TAT/PCU organization into an NGO;
 - b. schedule for the timely transfer of project assets to the Field Management Team;
 - c. financial, commodity and annual recurrent cost requirements of the Field Management Team;
 - d. schedule for a gradual phase out of the present project and TAT staff; and
 - e. identification, training and deployment of local volunteers in organizing communities/villages and a possible role of UN volunteers and/or other volunteer agencies in facilitating the process.

It is expected that the period of the consultancy would not exceed three weeks.

- 7/19 Mr. Douglas Grube, Chief of Party
Coverdale, Inc.
NWFP Training Project, Peshawar
- Mr. Haseeb-ur-Rahman
Programme Planning & MER Incharge
SRSC, Peshawar
- Dr. Peter Blood, Chief Technical Advisor
Special Development Unit, Peshawar
- Mr. Syed Mutahir Shah, Project Director
Pak/German Integrated Rural Development Project, Mardan
- 7/21 Dr. Anis Ahmad Dani, Chief Executive
Trust for Voluntary Organizations, Islamabad
- Mr. Ali Akbar, Program Coordinator
Pakistan-Canada Small Projects Office, Islamabad
- 7/26 Mr. Shoab Sultan Khan, Chairman
Sarhad Rural Support Corporation