

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB), International Fund for Agricultural Development (IFAD), Japan Bank for International Cooperation (JBIC), and the World Bank are the main development partners in the agriculture, natural resources, and rural development sector in Pakistan. ADB's ongoing and recently completed successful projects cover irrigated agriculture including large irrigation infrastructure and rural development. JBIC/Japan International Cooperation Agency's (JICA's) project on irrigation system management and institutional reform and the World Bank's Punjab Productivity Enhancement Project complement ADB's large-scale irrigation infrastructure projects, including the proposed Trimmu and Panjnad Barrages Improvement Project. The World Bank is also financing on-farm water management, minor irrigation, and flood sector projects including capacity building. IFAD is currently financing the Gwadar-Lasbela Livelihoods Support Project, covering community, fisheries, and infrastructure development. Three IFAD-financed command area and rural development projects have already been completed. ADB's Pakistan Resident Mission frequently coordinates with the representatives of the partners, when ADB's headquarters-based staff also holds consultation meetings on average twice a year. As a result of the consultations, the Islamic Development Bank (IsDB) and IFAD showed interest in cofinancing two planned ADB projects in 2015–2016.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)	
Agriculture and Natural Resources^a				
ADB	Punjab Irrigated Agriculture Investment Program-Project 1	2008–2015	227.8	
	Punjab Irrigated Agriculture Investment Program-Project 2	2012–2016	270.0	
	Punjab Irrigated Agriculture Investment Program-Project 3	2013–2017	73.0	
	Sindh Coastal Community Development Project	2007–2014	36.0	
	FATA Rural Development Project	2006–2013	42.0	
World Bank	Punjab Irrigated Agriculture Productivity Improvement Program Project Phase-I	2012–2018	250.0	
	Punjab Barrages Improvement Phase II Project	2010–2016	145.6	
	Sindh Water Sector Improvement Project Phase I	2007–2015	150.2	
	Sindh On-Farm Water Management Project	2004–2014	61.14	
	Additional Financing for Sindh On-Farm Water Management Project	2009–2014	50.0	
	Pakistan Flood Emergency Cash Transfer Project	2011–2014	125.0	
	Water Sector Capacity Building and Advisory Services Project	2008–2015	38.0	
	Balochistan Small Scale Irrigation Project	2008–2014	25.0	
	JICA/JBIC	Strengthening Irrigation Management System Including Agriculture Extension through Farmers' Participation in the Punjab Province	2009–2013	2.2 ^b
		Improvement of Water Supply in Faisalabad II including Extension	2008–2012	41.2 ^c
Retrieval of Sewerage and Drainage System in Lahore Phase II		2010–2013	115.0 ^d	
IFAD	Pakistan: Gwadar-Lasbela Livelihoods Support Project	2013–2019	30.0	
	Southern Federally Administered Tribal Areas Development Project	2002–2010	21.9	
	Barani Village Development Project	1999–2007	25.1	
	Pat Feeder Command Area Development Project	1995–2003	41.5	

FATA = Federally Administered Tribal Area, IFAD = International Fund for Agricultural Development, JBIC = Japan Bank for International Cooperation, JICA = Japan International Cooperation Agency.

^a The sectors and themes listed should relate directly to those covered by the report and recommendation of the President and should be in line with the 2009 project classification system.

^b The loan amount was denominated in yen.

^c Loan was ¥4,442 million.

^d Loan was ¥12,223 million.

Sources: (i) Consultation meetings with the project officers/representatives for the World Bank, IFAD, and JICA.

(ii) Websites and project documents.

B. Institutional Arrangements and Processes for Development Coordination

2. In the past, coordination between development partners in the agriculture, natural resources, and rural development sector was modest, with most partners implementing their programs independently. A mechanism has been gradually introduced to coordinate multilateral and bilateral financial institutions and favor exchange of information and policy dialogue through consultation meetings between sector divisions (ADB, IFAD, IsDB, JICA, World Bank) and frequent meetings between resident representatives. At the highest level, development partners have been coordinating their activities through retreats in their respective headquarters (ADB, World Bank). Major events such as conferences, workshops, and consultation meetings also provide opportunity for coordination with the donors and other partner organizations.

3. In the recent consultation process in 2013, ADB identified IFAD as a potential partner at the project concept stage. ADB and IFAD conducted separate reconnaissance missions and carried out preliminary consultation with the government. The partners tentatively agreed on the project scope and their roles and prepared proposals for consideration of their management.

C. Achievements and Issues

4. Achievement in the agriculture, natural resources, and rural development sector so far is limited to consultation. Coordination between development partners has significantly improved since 2011, when ADB coordinated with the World Bank and government of Punjab to finance the upstream New Khanki Barrage for reliable water delivery to the JICA-supported ongoing Lower Chenab Canal Project. JICA implemented the institutional reform and water management component. However, the government's donor coordination has been weak, mainly because of low capacity and the decision hierarchy. Recently, ADB coordinated with JICA, IsDB, IFAD, and the World Bank for agriculture, natural resources, and rural development sector projects. All the donors shared information when IFAD and IsDB initially showed interest for cofinancing. The World Bank is financing the on-farm component in Punjab, which complements ADB's main irrigation projects with upstream works. However, the lack of a donors' coordination group and the government's weak role mismatch between project phasing, processing, and approval times and associated allocations remain main issues.

D. Summary and Recommendations

5. The planned FATA Rural Development Project, Jalalpur Irrigation Project, and Balochistan Water Resources Development Project provide opportunities for sustainable development of the agriculture, natural resources, and rural development sector in Pakistan. There is potential for synergies among development partners and with the governments to enhance the development impact of various envisaged projects and assistances. ADB and IsDB are initiating cofinancing for the FATA Rural Development Project, which could be further strengthened for other projects. ADB's role and expertise will be critical in providing strategic

advice and policy guidance for the sector, and help the governments to implement their projects in the most cost-efficient way.

6. At the sector level, formation of a sector working group is recommended. The working group should consist of representatives from the most active development partners, the governments, and other stakeholders. This working group should notably emphasize the necessity for integrated approaches in the agriculture, natural resources, and rural development sector; water conservation; and financial and institutional sustainability. At the project level, it is critical to coordinate the concept development, feasibility study, and design stages to ensure technical, operational, and institutional integration for envisaged development results.