

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) has supported the Government of Pakistan through a broad range of investments in the agriculture, natural resources, and rural development (ANR) sector. Water resources including the irrigation, drainage, and flood protection subsector, have received the largest share of funding. ADB, the United States Agency for International Development (USAID), and the World Bank are the major donors to the ANR sector, with substantial support provided for water resources development and management. Several of the sector projects are implemented in the Federally Administered Tribal Areas (FATA) of Pakistan, and are in the project area of the FATA Water Resources Development Project.

Major Development Partners

Partner	Project Name	Duration	Amount (\$ million)
Agriculture, Natural Resources and Rural Development			
ADB	Lower Bari Doab Canal Improvement Project	2006–2015	217.8
	New Khanki Barrage Project	2012–2016	270.0
	Pakpattan Canal and Suleimanki Barrage Improvement Project	2012–2016	73.0
	Trimmu and Panjnad Barrages Improvement Project	2015–2020	150.0
	Flood Emergency Reconstruction Project (Irrigation Component)	2011–2014	215.7
	Punjab Basmati Rice Value Chain	2014–2016	1.0
	FATA Rural Development Project ^a	2006–2012	45.2
USAID	FATA Economic Stabilization Program ^a	2014–2018	50.0
	Gomal Zam Command Area Development	2013–2017	33.0
	Gomal Zam Irrigation Project	2011–2014	52.0
	Kurram Tangi Dam Project (Component 1)	2015–2017	81.0
	Balochistan Agriculture Project	2009–2015	25.0
	Satpara Development Project	2012–2017	20.0
	Dhana Irrigation Channel ^a	2013–2014	16.9
World Bank	Sindh Agriculture Growth Project	2014–2019	76.4
	Khyber Pakhtunkhwa Southern Area Development Project	2012–2015	18.0
	FATA Rural Livelihoods and Community Infrastructure Project ^a	2012–2015	12.0
	Punjab Irrigated Agriculture Productivity Improvement Program, Phase 1	2012–2018	250.0
	Punjab Barrages Improvement Project, Phase II	2011–2016	145.6
	Pakistan Water Sector Capacity Building & Advisory Services Project	2008–2015	38.0
	Balochistan Small Scale Irrigation Project	2008–2014	25.0
	Sindh Water Sector Improvement Project, Phase 1	2007–2015	150.2
Sindh OFWM—Additional Financing Project	2004–2014	50.0	

ADB = Asian Development Bank, FATA = Federally Administered Tribal Areas, OFWM = On-Farm Water Management, USAID = United States Agency for International Development.

^a Denotes projects implemented in FATA.

Sources: Asian Development Bank, USAID, and the World Bank.

2. ADB, the World Bank, and USAID have also been the major supporters of development interventions in FATA. The project completion report (PCR) of the ADB-financed FATA Rural

Development Project provides valuable lessons and recommendations for development interventions in FATA.¹ The PCR highlighted that the project was a success primarily because of its design, which accounted for actual conditions in the project area, applied lessons from previous interventions, and incorporated and adopted efficient and sustainable delivery mechanisms. The involvement of beneficiaries in the project through effective social mobilization was critical to its success.

3. The PCR noted that the project had evolved into a cost-effective, efficient, productive, and sustainable model for rural development in FATA. It marked a significant deviation from the conventional FATA development approach, where resources are channeled through political agents to *maliks* (tribal heads) and often do not reach the poor communities. The project managed to reach the poor communities directly, without excluding the political agents and other government agencies and line departments from decision making, and implementation management and supervision. The PCR recommended that the government and development partners should adopt this model for rural development in FATA in the future. The World Bank's FATA Rural Livelihoods and Community Infrastructure Project adopted this project design model.

4. The PCR also noted that the water assessment study set a benchmark for water resources development and management in Bajaur, Khyber, and Mohmand agencies. It recommended that investment decisions in the water sector in these agencies should be based on the water balance of watersheds provided in the study. It also recommended that a similar study should be undertaken for the remaining FATA agencies.

5. World Bank support to FATA is through its administration of the Multi-Donor Trust Fund (MDTF) for Balochistan, FATA, and Khyber Pakhtunkhwa. The MDTF, established in 2010 to respond to the crisis in the region, supports interventions aimed at restoring infrastructure, services, and livelihoods while addressing governance and other challenges that contributed to the crisis. Australia, Denmark, Finland, Germany, Italy, the Netherlands, Sweden, Turkey, the United Kingdom, the United States, and the European Union have contributed \$183.2 million through the fund to support these rehabilitation activities.

6. The MDTF supports the following projects that are specific to FATA or have FATA components: (i) the Economic Revitalization of Khyber Pakhtunkhwa and FATA Project aimed at economic recovery and revitalization of the crisis-affected areas of Khyber Pakhtunkhwa and FATA by creating sustainable employment opportunities through rehabilitation of small and medium-sized enterprises, investment mobilization, and institutional capacity building; (ii) the FATA Urban Centers Project to improve urban services and management in Bajaur Agency and develop a framework for urban management in FATA; (iii) the FATA Emergency Rural Roads Project to increase year-round access for the rural population in Bajaur and Orakzai agencies; (iv) the FATA Rural Livelihood and Community Infrastructure Project to improve agriculture-based livelihoods and access to basic service infrastructure in Mohmand, Bajaur, and South Waziristan agencies; and (v) the Governance Support Project to strengthen the capacity of government departments in Balochistan, FATA, and Khyber Pakhtunkhwa.

7. In addition to its support to FATA through the MDTF, USAID provides grant financing for several projects in FATA, including (i) the Kurram Tangi Dam multi-purpose project in FATA (Bannu Frontier Region and North Waziristan Agency), including construction of a power plant on the Kurram River and expansion of an existing irrigation system that will increase agriculture

¹ ADB. 2012. *Completion Report: Pakistan Federally Administered Tribal Areas Rural Development Project*. Manila.

production and hydropower generation; (ii) the FATA Infrastructure Project, which aims to improve road conditions, construct water and irrigation systems, and rehabilitate power transmission lines; (iii) the FATA Institutional Strengthening Project to strengthen the ability of the Secretariat and the FATA Development Authority to plan, develop, and manage programs at the agency and community level, and effectively monitor their implementation throughout the entire FATA; and (iv) the planned Economic Stabilization Program, aimed at improving rural livelihoods in Bajaur, Mohmand, and South Waziristan agencies.

B. Institutional Arrangements and Processes for Development Coordination

8. There are currently two coordination vehicles for development efforts in FATA: the MDTF and the FATA Donors Coordination Steering Committee (DCSC). The MDTF governance structure includes a steering committee comprised of representatives from the donor community including ADB. The committee meets quarterly and oversees all MDTF activities, providing guidance on policy and strategic matters, grant award criteria, and other high-level issues. The MDTF provides an opportunity for synergies between their projects and the FATA Water Resources Development Project (FWRDP).

9. The DCSC is an important vehicle for coordinating donor activities for FATA. It is comprised of representatives of the FATA Secretariat and international donors that support development interventions in the region. The DCSC was established in 2012, and is convened quarterly by the additional chief secretary of FATA Secretariat. ADB regularly participates in the meetings. The various donors are aware of the FWRDP, and support the design and objectives of the project.

C. Achievements and Issues

10. The USAID-financed Economic Stabilization Program (ESP) will improve economic opportunity in FATA by raising the productivity of farmers and livestock holders, and expanding micro and small enterprises. The project will be implemented in Bajaur, Mohmand, and South Waziristan agencies, and the adjoining Frontier Regions. There is substantial complementarity between the ESP and the FWRDP. Both projects will be implemented in Bajaur and Mohmand Agencies. The FWRDP will provide farming communities with access to irrigation and the ESP would operate in the same area to provide these farming communities with improved farming skills and techniques and access to high-quality inputs and services. The FATA Secretariat will ensure coordination and joint planning by the project management for the two projects.

D. Summary and Recommendations

11. The Government of Pakistan and the FATA Secretariat have established strong mechanisms for effective donor coordination. The FATA Secretariat is committed to ensuring productive coordination among donors and between projects through regular meetings, policy dialogue, and joint planning efforts.