

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Major development partners in the agriculture and natural resources sector are the Asian Development Bank (ADB), the World Bank, Japan International Cooperation Agency (JICA), and the United States Agency for International Development (USAID). Recently completed and ongoing interventions by major donors provide support for irrigation, aiming at increasing water security, enhancing agricultural productivity, and strengthening the capacity of government institutions, water users, and communities for more effective planning and management. Table 1 provides key projects funded by development partners in the sector.

Table 1: Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)	
Agriculture and Natural Resources				
ADB	Punjab Irrigated Agriculture Investment Program Tranche 1–3	2006–2017	570.8 ^a	
	Trimmu and Panjnad Barrages Improvement Project	2014–2021	150.0	
	Flood Emergency Reconstruction Project ^b	2011–2014	215.7	
	Flood Emergency Reconstruction and Resilience Project ^b	2015–2018	56.0	
	FATA Water Resources Development Project	2014–2020	43.0	
JICA	Lower Chenab Canal System Rehabilitation Project	2008–2017	105.0 ^c	
	Strengthening Irrigation Management System Including Agriculture Extension through Farmers' Participation in the Punjab Province	2009–2014	2.0 ^c	
	Punjab Irrigation System Improvement Project	2006–2015	195.0 ^c	
USAID	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	
	Baluchistan Agriculture Project	2009–2015	25.0	
	Satpara Development Project	2012–2017	20.0	
	Dhana Irrigation Channel	2013–2014	16.9	
	World Bank	Sindh Agriculture Growth Project	2014–2019	76.4
		Sindh Barrage Improvement Project	2015–2020	188.0
		Punjab Irrigated Agriculture Productivity Improvement Program, Phase 1	2012–2018	250.0
		Punjab Barrages Improvement Project, Phase II	2010–2016	145.6
Baluchistan Small Scale Irrigation Project		2008–2014	25.0	
Sindh Water Sector Improvement Project, Phase 1		2007–2015	150.2 ^d	
Sindh Irrigated Agriculture Productivity Enhancement Project		2015–2021	187.0	
World Bank	Sindh On-Farm Water Management Project	2004–2014	61.1 ^e	
	Disaster and Climate Resilience Improvement Project ^f	2015–2019	125.0	
	Water Sector Capacity Building & Advisory Services Project	2008–2015	38.0 ^g	

ADB=Asian Development Bank; FATA=Federally Administered Tribal Agencies; JICA=Japan International Cooperation Agency; USAID=United States Agency for International Development.

^a Additional \$27 million approved in 2015 as Tranche 4.

^b Irrigation Component.

^c Approximate US\$ equivalent of amounts approved in Japanese Yen.

^d Additional \$138 million approved in 2014.

^e Additional \$50 million approved in 2009.

^f Flood Protection (70%).

^g Additional \$35 million approved in 2015.

Sources: ADB, IFAD, JICA, USAID, World Bank.

2. ADB's recent irrigated agriculture projects provide financing for upgrading and building new infrastructure, and supporting institutional reforms. Of this, a large volume of financing is channeled through Punjab Irrigated Agriculture Investment Program, to increase and sustain agricultural production through enhanced and reliable irrigation water supplies. Under the Country Partnership Strategy, 2015–2019, ADB will support new standalone interventions to increase agriculture productivity and improve the natural resource base in the arid and semi-arid areas of Baluchistan, Khyber Pakhtunkhwa province (KPP), and Punjab provinces.

3. JICA has supported irrigation infrastructure upgrades, irrigation system management, and institutional reforms. The World Bank cooperation includes improvements in irrigated agriculture productivity, on-farm water management, and irrigation sector development policy assistance. ADB and the World Bank have also responded to various natural disasters through post-flood damages and needs assessments, and emergency and disaster resilience projects. USAID has two dam projects, Gomal Zam and Kurram Tangi, to irrigate the arid southern region of KPP. One of the components of the World Bank's ongoing KPP Southern Area Development Project supports increased farm productivity in selected irrigated areas. ADB's Pakistan Resident Mission frequently holds dialogue with development partners on policy, ongoing and planned interventions and, new initiatives in the sector. ADB's headquarters-based staff also holds consultations with development partners on average twice a year. As a result of consultations, the Islamic Development Bank showed interest in co-financing ADB-led projects.

B. Institutional Arrangements and Processes for Development Coordination

4. In the past, coordination between development partners in the sector was modest, with most partners implementing their programs independently. A mechanism has gradually been introduced to coordinate multilateral and bilateral financial institutions and favor exchange of information and policy dialogue. The regular Heads of Agencies meetings, chaired by the Pakistan Resident Mission, facilitate the development coordination at the highest level. Major events such as conferences and consultation meetings also provide an opportunity for coordination. The Friends of Democratic Pakistan, a group of countries that aim to support in social and economic development, acknowledged water resources as a priority for the country and prepared a report on the water sector in consultation with the government and key stakeholders. Preparation of this report was overseen by the Ministry of Water and Power and ADB, with members of the steering committee representing the federal and provincial governments, the governments of various development partners, and the United Nations through the United Nations Educational, Scientific and Cultural Organization (UNESCO).

5. For development effectiveness and efficiency, the Government of KPP recommended the substantial strengthening of donors' coordination to ensure donors are provided with clear directions and reduce the risks of duplication.^{1,2} Under the new five-year development strategy, the government supports the continuous donors' coordination process through the sector coordination committees.³ The government prepared the Strategic Development Partnership Framework and initiated a dialogue with development partners.⁴ The purpose of the framework is to, (i) set out the shared and individual commitments of the government and donors; (ii) provide a basis for discussion of top-level strategic priorities and set the context for the delivery of the assistance in line with the province's priorities; (iii) accelerate and expand the delivery of programs; (iv) reach an agreement between the government and major international partners on the framework; and (v) have the Economic Affairs Division as observer to the process.

C. Achievements and Issues

6. The Government of Punjab, with support from the World Bank, initiated the irrigation sector reform program. ADB, JICA, and the World Bank actively engaged in irrigation and water resources and aid coordination around a common reform agenda. In 2006, the overall potential

¹ The Foreign Aid Wing of the Planning and Development Department, Government of Khyber Pakhtunkhwa is responsible for donors' assistance and coordination.

² Government of PK. 2010. *Khyber Pakhtunkhwa Comprehensive Development Strategy 2010–2017*. Peshawar

³ Government of PK. 2014. *Integrated Development Strategy 2014–2018*. Peshawar.

⁴ Government of PK. 2013. *Strategic Development Partnership Framework*. Peshawar.

for financing and investment plan for the irrigated agriculture sector in Punjab was estimated at \$3.5 billion.⁵ Coordination between development partners significantly improved since 2011. ADB coordinated with the government of Punjab to finance the New Khanki Barrage for reliable water delivery to the JICA-supported Lower Chenab Canal Project. JICA financed the whole irrigation system rehabilitation in the command area and implemented the institutional reforms and water management. In 2012, the World Bank approved an on-farm component in Punjab, which complemented ADB's main irrigation projects with upstream works. The development partners' interventions complemented the ADB program, however, the achievement in the sector remained limited largely to consultations. In the decades from 1996 to 2016, active donors' coordination was instrumental in the irrigated agriculture and flood damages restoration projects set out in Table 2. The assigned executing and implementing agencies of the proposed Pehur High Level Canal Extension Project have implemented these projects and have rich experience of working with various multilateral and bilateral financing institutions.

Table 2: Key Donor-Assisted Projects in Khyber Pakhtunkhwa Agriculture and Natural Resources

Government Agencies	Description	Development Partners
KPP Irrigation Department	Irrigation System Rehabilitation Projects	WB and USAID
	1998 Flood Damages Restoration Project	WB and ADB
	Command Water Management Project	WB and ADB
	1992 Flood Damages Restoration Project	WB, ADB, and KFW
	National Drainage Program (including Small Dams)	WB and ADB
	2010 Flood Damages Restoration Project	USAID and OECF
	Flood Sector II Project	ADB
KPP Agriculture Department	Pehur High Level Canal Project	ADB
	On-Farm Water Management Projects	OECF, USAID
	On-Farm Water Management Project (I-IV)	WB

ADB=Asian Development Bank; KFW=Kreditanstalt für Wiederaufbau; KPP=Khyber Pakhtunkhwa Province; OECF=Overseas Economic Cooperation Fund; USAID=United States Agency for International Development; WB= World Bank.

7. In KPP, donor coordination has improved after the Multi-Donor Trust Fund (MDTF) for KPP, Federally Administered Tribal Areas and Baluchistan was established in 2010. This fund supports the reconstruction, rehabilitation, reforms, and other interventions needed to build peace and create the conditions for sustainable development based on the findings of the Post Crisis Needs Assessment.⁶ The MDTF is administered by the World Bank and supported by Australia, Denmark, the European Union, Finland, Germany, Italy, the Netherlands, Sweden, Turkey, the UK, and the USA.

D. Summary and Recommendations

8. There is potential for synergies among development partners and with the federal and provincial governments to enhance the development impact of various envisaged projects and assistances. ADB's role and expertise will be critical in providing strategic advice and policy guidance for the sector. At the sector level, the formation of a working group is recommended, which should consist of representatives from the most active development partners, 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.

⁵ ADB. 2006. *Multitranchise Financing Facility: Islamic Republic of Pakistan: Punjab Irrigated Agriculture Investment Program*. Manila.

⁶ Government of Pakistan. 2010. *Post Crisis Needs Assessment*. Islamabad <http://www.pcnafata.gov.pk> (accessed as of 18 August 2016).