

ACA - Asia & Central Asia

Implementation of the European Union Delegation to Pakistan's 2019-2020 Projects Evaluation Plan

Mid-term review: Aid to Uprooted People in Pakistan
Financing Agreement DCI-ASI/2015/037-860

covering two contracts:

(1) ACA/2016/379-849 GIZ

(2) ACA/2016/379-850 KfW

SERVICE CONTRACT: ACA/2019/409-077 & ACA/2019/409-102

FINAL REPORT

Koen Versavel

Mohammad Taimur Khan

Imran Ashraf

Syed Ziaulhaq

Fouzia Ahmed Khajjak

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
APA	Assistant Political Agents
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung Federal Ministry for Economic Cooperation and Development
CBO	Community-Based Organisations
CEP	Continuous Education Programme
DC	Development Cooperation
DHIS	District Health Information System
DJ	Development Jirgas
E&SED	Elementary and Secondary Education Department
EMIS	Educational Management and Information System
ESP	Education Sector Reform Plan
EU	European Union
FATA	Federally Administered Tribal Areas
FCR	Federal Crimes Regulation
FDP	FATA Development Programme
FR	Frontier Region
GIZ	<i>Gesellschaft für Internationale Zusammenarbeit</i>
GoP	Government of Pakistan
HCD	Human Capacity Development
HRIS	Human Resource Information System
HSA	Health Sector Analysis
IDPs	Internally Displaced Persons
IPR	Independent Project Reporting
KfW	<i>Kreditanstalt für Wiederaufbau</i> , KfW Development Bank
KP	Khyber Pakhtunkhwa, Province in Pakistan
LGO	Local Government Ordinances
LQT	Local Quality Teams
MA	Merged Areas
MDTF	Multi-Donor Trust Fund
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organisation
NOC	No Objection Certificate
PA	Political Agents
PC1	Proforma for Development Projects
PCNA	Post Crisis Needs Assessment for Khyber Pakhtunkhwa & Federally Administered Tribal Areas
P&D	Planning and Development Department
PTC	Parent-Teachers Councils
PSU	Project Support Unit
QAP	Quality Assurance Plan
RDQA	Routine Data Quality Assessment
SAFRON	Ministry for States and Frontier Regions
SDC	Swiss Agency for Development and Cooperation
SOP	Sustainable Development Plan FATA
SRSS	FATA Sustainable Return and Rehabilitation Strategy
SRSP	Sarhad Rural Support Programme
SWD	Social Welfare Department
TNA	Training Needs Assessment

EXECUTIVE SUMMARY

Preamble. This report covers Financing Agreement DCI-ASI/2015/037-860, under which two separate contracts and projects are funded: European Union Delegation Agreement ACA/2016/379-849 with the German International Cooperation GIZ and Delegation Agreement ACA/2016/379-850 with KfW, Business Area KfW Development Bank. The latter is commonly referred to as the KfW/SRSP component, in light of the implementation of field activities in the KfW component by SRSP. Both GIZ and KfW contracts are covered by one single report. The relevance section is common; all other sections differentiate between GIZ and KfW/SRSP. Contractual references can be found in the first section of this report.

Conclusion 1. Relevance and design. Major changes have taken place since the design, with the Merger of the ex-FATA districts: the project seeks to support the GoP in its establishment of key policies and strategies for mainstreaming and integration of ex-FATA districts into the political and socio-economic development process. There is no need for further changes to the log frames of both components. This has been done to the extent that both now reflect the context that changed between design stage and current implementation stage. The Action is coherent with national and international policies and frameworks: the Pakistan 2014-2020 MIP; GoP primary legislations, including the 18th Constitutional Amendment; GoP's Vision 2025; GoP's 11th Five Year Plan (FYP) (2013-2018); the EU's "Agenda for Change in terms of its key themes relating to the UN 2030 Agenda: People, Planet, Prosperity, Peace and Partnership; it addresses poverty, inequalities and leaving no-one behind, which are at the heart of EU development cooperation policy.

Efficiency issues in the Financing Agreement covering both GIZ and KfW contracts. (1) Monthly coordination meetings take place between GIZ and SRSP at technical level, and annual review meetings focus on the strategic management. GIZ have an indicator/obligation in their log frame that focuses on coordination with KfW under the Financing Agreement, while the KfW/SRSP log frame does not contain an identical result indicator. (2) It was decided by the Economic Affairs Division prior to the start of implementation that the regular coordination meetings (without decision making powers) are sufficient and that a Steering Committee meeting was not necessary. This is a missed opportunity for strategic management. (3) Coordination meeting minutes are very vague on potentials for cooperation. No hands-on implementation synergy is referred to. One partner, KfW, rejects the need for synergies and states that complementarity is a tall order, in contravention of the spirit of the Financing Agreement.

Efficiency issues in the GIZ contract. (1) Implementation mechanisms are dictated to a large extent by the field challenges. GIZ works under a bilateral agreement between the Government of Germany and Government of Pakistan and does not need an NOC. The Implementing Partners (IP) of GIZ need NOC to work in the Merged Areas. However, in the absence of an NOC, program activities are being implemented under a Memorandum of Understanding (MoU) signed between the IP and the Government counterpart. These implementation mechanisms are not documented in GIZ's annual reporting to the EUD. (2) The expenditure currently stands at about 22%, which is a result of delays. (3) Several activities have been reported on that are funded by donors other than the EUD under the contract that is the subject of this evaluation. (4) The financial reporting does not provide a satisfactory level of detail for the purposes of this evaluation, although it does meet auditing requirements, e.g. the budget line "Financing agreements and grants", which represents one third of the budget and is distributed over several sub-contracts, is reported on in one line. As a consequence, it is not possible to calculate and come to an informed opinion on whether the resources correspond to the needs of the Action. (5) It appears to be clear that the unspent balance is highly unlikely to be fully spent before the end of contractual implementation, and that there is either a need for a no-cost extension or for additional activities that can be sub-contracted and executed at a more accelerated rhythm than technical assistance can. A no-cost extension can only be addressed once the German Ministry BMZ makes a decision on its part of the funding in 2021. Without an extension of the BMZ part, the project implementation will have to come to an end on December 31st, 2021. (6) There is scope for additional activities to increase financial expenditure within the OO: elections (capacity building of district officials,

awareness raising of the population about elections, radio spots, other comms) and on COVID-19. (7) Travel restrictions and rotation of international staff reduce effectiveness of Islamabad-based management. The institutional memory sits with Pakistani staff in Peshawar.

Efficiency issues in the KfW component. (1) The distinction of roles and responsibilities between Project Executing Agency SRSP and the Monitoring Consultant AiD is at risk of being blurred. AiD's role in scheme design and concurrence results in involvement in implementation. (2) The management lines between AiD on one hand and SRSP and KfW on the other result in a compromised accountability mechanism. The cost for the monitoring consultant is placed within SRSP's budget, but the contract is signed between KfW and AiD. (3) It is difficult to ascertain that the resources in the KfW component correspond to the needs of the Action because the budget came with variable target values that depended on needs assessments and community mobilization realised during the inception phase; now that more than half of the CPI schemes have not been budgeted yet, and with a very significant exchange rate fluctuation between budget negotiation and the current time frame. (5) SRSP states a clear intention to request a 24-months extension. Out of this, 18 months are proposed to be managed within the currently approved budget. However, for the remaining 6 months, SRSP will require additional operational costs. During this 24-months extension period, SRSP will be able to achieve targets additional to the ones currently expressed in the approved log frame. The resources for the additional targets are proposed to be managed from the exchange gain.

Efficiency in the KfW component - AiD monitoring. The quality of the monitoring function by AiD suffers from a number of deficiencies, including basic issues such as a weak monitoring strategy, weak follow-up mechanism and low frequency of visits; very weak monitoring of the female component; monitoring not based in the target districts; engineering monitoring not appropriately planned to attend to essential parts of the work; CPI monitoring reports are technically weak for civil works ; engineers do not have full command in review of design, vision to understand the ground situation and in-depth experience of execution and monitoring of projects.

Effectiveness of the GIZ component. Progress is accelerating after protracted delays. The outputs are so far not likely to lead to the expected outcomes, or can at the very least not be assessed to have that potential. In the case of GIZ, only 22% of expenditure has been incurred about one year before the end of implementation of a five year time line. While there is strong positive feedback on the quality of the technical assistance, it is premature to make an informed statement about the likelihood that the outputs will lead to the expected outcomes, even more so since the German Ministry BMZ will not make a decision on an extension until roughly half 2021. If there is no extension, the answer to this question can only be termed in the negative. While project management maintains its confidence that all activities will have been carried out by the end of 2020, the evaluation team does not share such expectation. No revised implementation plan has been submitted for analysis of its feasibility; however, the COVID-19 restrictions and significant resurgence, in combination with restricted access to the target areas strongly support the above conclusion. This report makes recommendations on possible additional activities in the field of elections support and COVID-19 to enhance budget execution. Quality of the outputs is very good, as witnessed in person during the field phase and as expressed by all government stakeholders. Progress mostly excludes the health sector for justified reasons. The pandemic health emergency was declared and the Khyber Pakhtunkhwa Epidemic Control and Emergency Relief Act,2020, was invoked in the province. COVID-19 control was the focus of partners and the health staff was the frontline defence against the pandemic. In those circumstances the health staff and the health managers could not leave their duty stations to participate in any other activity due to the workload pressure of COVID-19 patients in the province. All the training institutes were also closed to control the COVID-19 pandemic. Trainings are now planned for end of February, although the recent spike in COVID-19 cases may negatively impact again.

Effectiveness of the KfW component. Progress of the work in the KfW-SRSP component. Both the description of the action and the KfW-SRSP Separate Agreement envisaged target setting at the

inception of the project and provided a tentative goal of (sic) “up to 600 CBOs and “up to 600 CPIs”. The target setting was then undertaken post-July 2018 when the project went on ground. Resultantly, caution is advised on how to assess progress of the work. The evaluation report takes the revised targets as benchmark. Under result 1 (social mobilisation), there are 13 indicators wherein progress against 9 out of 11 indicators is satisfactory and on-track. Activities are on track in terms of social mobilisation, with 7,366 households reached against a target of 8,500. These are organised into 305 CBOs against a target of 340. Under result 2 (CPIs), there are 5 indicators for CPIs; targets are not fixed for 4 indicators but left flexible as per community needs. On the basis of the prime indicator though, framed as the percentage of completed community infrastructures which are functional, one observes 100% achievement. This is calculated on the so far 59 completed schemes. Under result 3 (livelihoods), 100% targets on 3 indicators are achieved but has a backlog on a few others such as imparting livelihood skills, where 1,216 vulnerable community members out of a target of 3,400 have been reached. The 5% gender-related target has been over-achieved, although this target is artificially low. Quality of outputs in the KfW/SRSP component. The social mobilisation approach is process driven. Trainings have empowered communities and enhanced incomes of beneficiaries, but at the same time the training impact is constrained by socio-cultural and security issues. Record keeping by communities is satisfactory but Village Development Plans are not developed. Communities are effectively involved in overseeing CPI schemes. Quality assurance of social mobilisation by the monitoring consultant is not effective. CBOs have forged effective linkages. Community Physical Infrastructure component: Smaller schemes have better quality than larger and complex schemes, as they are better managed by communities (and resultingly more sustainable). Timing of construction is critical to the quality of schemes. On the basis of testing of construction material, carried out during the evaluation, it is found that there is a deficit of due diligence with respect to quality of construction, that SoPs are not adhered to and that as such quality assurance is compromised. Technical backstopping and monitoring are weak. The CPI record at community and SRSP is well maintained; record keeping by communities is satisfactory.

Sustainability of the GIZ component is very good to excellent, with financial/budgetary allocations by the provincial government identified (to be followed by availability of those funds in the field, which is an additional step to be made), and with the technical assistance being absorbed effectively by the government stakeholders. While capacity in the target districts is low at the start, the most ardent difficulties going forward can be expected at district level.

Sustainability of the KfW component. The policy environment of government is conducive towards the sustainability of community-based organisations. In this realm, AUP's Community Networks are participating within the government's larger 'Khuli Kacheri' state-citizen dialogue forums in districts. Moreover, the 'Manager Conferences' have the capacity to continue engaging with government line departments for an expanded development agenda after closure of the project. Smaller CPI schemes are more sustainable than bigger schemes, since they can be managed by communities within their financial and technical capacities. Potential funding of government schemes in its Annual Development Plans (ADPs) is not in consonance with the project "non-budget-support modality". Similarly, larger schemes are contractor-based schemes and go against the project's participatory approach philosophy. The savings of communities are less than the mandated 3% project costs for its maintenance. There is neither an exit strategy for the project nor a 'participatory exit strategy' for individual schemes.

1 CONTRACT REFERENCES

This mid-term evaluation is part of the Implementation of the European Union Delegation to Pakistan's 2019-2020 Projects Evaluation Plan, governed by a service contract with IBF International Consulting SA entitled "Service contract for the European Union External Actions No ACA/2019/409-077 & ACA/2019/409-102.

The mid-term review covers the European Union Financing Agreement DCI-ASI/2015/037-860 between the Islamic Republic of Pakistan and the European Union, entitled "Aid to Uprooted People", signed by the European Commission on February 2nd, 2016, and by the Economic Affairs Division of the Government of Pakistan on August 23rd, 2016. This action is financed from the EU Budget under the Instrument for Development Cooperation. The total estimated cost is 34 million €, and the maximum EU contribution is set at 22 million €.

The FA entered into force on the date on which it was signed by the last party (art. 7 FA), i.e. August 23rd, 2016. This is also the start of the execution period, which according to article 2.1 of the FA is 84 months after this date (7 years). The execution period therefore ends on August 22nd, 2023. The duration of the operational implementation is 60 months (5 years) and ends August 22nd, 2021. The closure phase is fixed at 24 months (between August 22nd, 2021, and August 22nd, 2023).

KfW have a Parallel Financing for an independent project (BMZ No. 2014 68 990 RRP), financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) through KfW.

Under the Financing Agreement, two main contracts are signed:

- a) The first contract is a European Union Delegation Agreement ACA/2016/379-849 with the German International Cooperation GIZ, also known as Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The action is co-financed by the EU and by the Federal Republic of Germany. The German contribution is undertaken through its programme "*FATA Development Programme (FDP)*" with the implementation of which the Organisation has been commissioned by the German Federal Ministry for Economic Cooperation and Development. The contract was signed by all parties on December 9th, 2016. The Agreement entered into force on the date when the last of the two Parties signed, in other words December 9th, 2016. The Implementation Period of the Agreement commenced on January 1st, 2017, for a duration of 60 months. The end of implementation is therefore December 31st, 2021. The total cost of the Action' is estimated at 6,000,000 €, of which the Contracting Authority undertakes to provide an EU contribution up to a maximum of 4,000,000 €.
- b) The second contract is a Delegation Agreement ACA/2016/379-850 with KfW, Business Area KfW Development Bank. The contract was signed by the EUD on December 9th, 2016, and by KfW on December 12th, 2016. The Agreement entered into force on the date when the last of the two Parties signed, i.e. December 12th, 2016. The Implementation Period commenced on the first day of the month following the date on which the first pre-financing was paid by the Contracting Authority. That payment was made in January 2017, and resultingly the implementation period started on February 1st, 2017. The implementation duration is 60 months. End of implementation is therefore January 31st, 2022. The total cost of the joint programming between the EU and Germany for supporting IDPs in (then) FATA through Financial Cooperation amounts to 27,000,000 € according to the corresponding Agreements. The Contracting Authority undertakes to provide an EU contribution up to a maximum of 17,000,000 €. The remaining 10 million € are provided through a German bilateral grant for the "Return and Rehabilitation of Temporarily Displaced Persons in FATA (RRP)" (BMZ No 2014 68 990). The AUP (Component 2) is expected to have

explicit synergies with this bilateral project. Component 2 therefore has adopted the concept and selection of project districts from RRP. Furthermore, Component 2 of the AUP has the same Project Executing Agency (SRSP) and the same Monitoring Consultant as the RRP. The RRP started one year earlier than AUP.

On July 24th, 2017, KfW signed a contract with SRSP, Sarhad Rural Support Programme, for the bulk of the implementation. It was counter-signed by SRSP on August 26th, 2017. This contract covers 15,800,000 €, leaving KfW 1,200,000 € to fund their coordination activities. To this end KfW signed a Financing Agreement with SRSP for the amount of up to 15,800,000 EUR and a Separate Agreement outlining the implementation concept and budget lines of the Action. The Separate Agreement details the working relationship between both, including the implementation concept budget allocations, reporting requirements, and compliance rules.

The contracts with GIZ and KfW constitute respectively 4,000,000 € and 17,000,000 €, totalling 21,000,000 €. The Financing Agreement allocates 22,000,000 € to the AUP Action. The balance of 1,000,000 € is earmarked as follows:

- 500,000 € for technical assistance to FATA reforms - not used nor contracted;
- 200,000 € for external evaluation - not used nor contracted (reserved for the final evaluation)
- 300,000 € for communication and visibility, contracted through a common EUD communications and visibility contract with Particip 2018/398-242 "Enhance EU visibility through effective communication". This contract is not covered by this evaluation.

2 RELEVANCE

2.1 To what extent are the priorities and actions of the program aligned to (a) the priorities and policies of the GoP; (b) relevant EU governance sector policies and strategies; (c) GoP/EU development cooperation ?

The relevance criterion considers whether the Action is sufficiently well designed to address the relevant needs and priorities of the key stakeholder groups:

- (1) public sector that lacks capacity and resources, whose role is critical to improve policies and sector strategies in order to better deliver services to the population for which they are accountable;
- (2) beneficiary communities in the newly merged FATA district, as capacitating Community Organisation members shall enable them to hold authorities accountable and scrutinise their activities for more transparency, as well as ensuring that these communities' needs and priorities are considered; and
- (3) the EU – as funding partner.

This section will involve an assessment of the extent to which the AUP Project's intervention logic and objectives fit with the EU's global and country objectives and the EU's development aspirations for the programme. The important target groups are the public sector operatives, and communities. Within these communities, the activities particularly target the most vulnerable (poorest, women, people with disabilities, widows and orphans, aged persons, child-headed households, etc.), whether they are displaced or whether they remained on site. The project allows these target groups to improve their resilience through implementation of self-help activities and savings, their livelihoods through better employment opportunities, business development and income generating activities. By having community members work together for their local development, the project contributes to social cohesion, peace-building and reconciliation. It promotes democratic and participatory values and ultimately contributes to curbing militancy and extremism.

The Action Document's (AD) Intervention Logic (IL), upon which the AUP Project's Financing Agreement (FA) is based, is sound in that it envisioned this nexus between the public sector and communities through intervening both at the demand and supply sides of the public services delivery through capacity-building for improved governance. Furthermore, the intervention logic lays out the roles and responsibilities of government and implementing partners.

The logic is clear. First, through GIZ, the action builds up the technical and administrative capacities of the Administration, focusing on its service delivery. The objective is to enable the administrative structures to assess the communities' needs and to answer them through the government procedures, institutions and budgets. In parallel, the EU supports the FATA reforms process with ad hoc short-term technical assistance, in order to contribute to this process with punctual assistance, research or analysis. The aim was, there again, to support the long-term development and stabilisation of this region. Second, through KfW, the action focuses on community-driven local development, to ensure ownership, stability and long-term involvement of the people in their development. These activities do not necessarily focus on the emergency situation due to the conflicts, but consider IDPs from (ex) FATA as a whole. Likewise, it does not focus only on returning IDPs, but also on community members who have stayed home: although there is a focus on areas of important returning of IDPs, the main targeting criteria for selecting beneficiaries is vulnerability and not having been an IDP. Through the activities under this component, it helped the communities, including the returned IDPs, to mobilise, express their

development needs and priorities to the local authorities, improve their livelihoods and living environment.

Through these two components, which address local development both from a top-down and from a bottom-up approach, the living conditions and environment in the newly merged FATA districts are envisaged to improve sustainably. It is envisaged to contribute to the IDPs wanting to return home and to the communities to welcome back these IDPs, providing them the means (infrastructure, livelihoods, space for peaceful discussions) for all to live in a better, more stable and less conflict-prone environment.

The beneficiaries are the poor in the newly merged FATA districts, with indirect cross-cutting support through community mobilisation including women for most of the activities, therefore having an impact on gender. However, in the cultural context of FATA, the project acknowledged that this impact will probably be very limited. Poor family members, including women, will therefore be capacitated and trained, and will benefit from economic empowerment actions. Community members are also being sensitised through mobilisation activities on a number of cross-cutting themes such as: awareness-raising on basic human rights, family-planning, HIV-AIDS, and nutrition. As the action focuses on integrated sustainable development, environmental sustainability and climate change adaptation is being ensured by including natural resources management in all relevant interventions. By virtue of capacity building of the local communities, the project fosters links with the administration's planning processes and structures, leading to improved transparency, public oversight, and therefore improved local governance. The social mobilisation process is also contributing to conflict prevention by organising communities for collective actions leading to an improved social cohesion and dialogue and thus providing other channels for enhancing community resilience.

The impact level vision is reflected in the "one nation, one vision" (OO), which is to "facilitate the reintegration of FATA IDPs by creating a favourable environment for their return". On the "supply" side, the focus is on improvement of the service delivery capacity of the administration and on assistance to the integration process of the merged districts through the statutory and institutional development process and development of an enabling environment for strengthening local governance. On the "demand" side, the emphasis is to support and sustain community-driven local development initiatives to create a favourable socioeconomic environment for IDPs through promoting the empowerment of citizens and communities enabling them to be part of their development processes.

The main policy context is set by the EU Aid to Uprooted People (AUP) Framework, which is where the funding comes from. According to the regional MIP for Asia (2014-20), this AUP support "will be provided to reintegrate or integrate uprooted people, including support to local communities, intercultural dialogue and resettlement areas". More specifically, the overall objective is "to provide support to reintegrate or integrate uprooted people, including support to local communities and resettlement areas. The specific objectives are to (1) ensure the link between relief, rehabilitation and development in crises involving uprooted people and strengthen partner countries' capacities to manage massive migration flows and situations and (2) to empower uprooted people and strengthen partner countries' capacities to ensure their protection and to enhance their resilience to natural disasters and crisis and promote peace-building and reconciliation efforts and strengthen partner countries' capacities to ensure sustainable integration and reintegration of returnees, IDPs and other categories of migrants caught in crisis situations (including former combatants and child soldiers), through strengthened constructive engagement, intercultural dialogue and community participation/ ownership." This project aims to contribute directly to the main objective of the Aid to Uprooted People which, according to the EU's Regional 2014 MIP for Asia, is "to provide support to reintegrate or integrate uprooted people, including support to local communities and resettlement areas". More specifically, through its Linking Relief Rehabilitation and Development approach (Specific Objective 1) it will aim to empower IDPs (SO2) to "promote peace-building and reconciliation efforts and strengthen partner countries' capacities to ensure

sustainable integration and reintegration of returnees through strengthened constructive engagement, intercultural dialogue and community participation/ownership" (SO3).

The Action is also fully coherent with the Pakistan 2014-2020 MIP, which aims under its first focal sector to promote "full integration of structurally poor and backward regions into the mainstream national development agenda of Pakistan by enhancing opportunities for economic growth and sustainable livelihoods in rural areas".

The design of the Action supports the fundamental objectives of GoP primary legislations, including the 18th Constitutional Amendment, which reasserted provincial control of local government functions and institutions. AUP goes a step further in seeking to support the GoP in the reform process. It has clear linkages between the GoP's Vision 2025¹ and the National (and KP Provincial) SDGs Frameworks. The design of AUP is cognisant of the GoP's 11th Five Year Plan (FYP) (2013-2018), itself based on the priorities of the Vision 2025. The 11th FYP particularly emphasised the urgent need for human and socio-economic development, which are all addressed by the Action at the strategic and results levels.

The design draws on key international development agendas, including: the EU's "Agenda for Change"² in terms of its key themes relating to the UN 2030 Agenda: People, Planet, Prosperity, Peace and Partnership³. In its OO and SO, the Action addresses poverty, inequalities and leaving no-one behind, which are at the heart of EU development cooperation policy. The project also seeks to support the GoP in its establishment of key policies and strategies for mainstreaming and integration of FATA districts into the political and socio-economic development process.

2.2 Does the action respond to the needs of the target groups/end beneficiaries?

AUP was conceived at a time when the tribal districts were not integrated into the Khyber Pakhtunkhwa Province, and were just recovering from a crisis that had led to displacement of the local population. The tribal districts or the Federally Administered Tribal Areas (as they were previously called) have suffered from low socio-economic indices. The security crisis further deteriorated the situation. When local communities began to return to their areas they found the meagre resources and services had been adversely affected during the crisis and non-maintenance of infrastructure. The irrigation channels had deteriorated to the point that they affected peoples' livelihoods. Smaller community-based drinking water supply schemes had been washed out due to non-maintenance. Their sources of livelihoods had been destroyed. The AUP therefore responds to the needs of the local communities by supporting community-driven interventions.

It is essential to highlight that during the life of AUP, the Government of Pakistan undertook the KP-FATA Merger Plan. It is very clear from government strategies that the initial five years of the merger are a transition period. AUP fits well in this change.

¹ Pakistan 2025 – One Nation One Vision, Planning Commission, Government of Pakistan

² The New European Consensus on Development 'Our World, Our Dignity, Our Future, Joint Statement by the Council and the Representatives of the Governments of the Member States Meeting Within The Council, The European Parliament and the European Commission

³ Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the General Assembly on 25 September 2015

The Action is active in 5 Merged Districts that include Khyber, Orakzai, Kurram, North Waziristan and South Waziristan. It contributes to Government of Pakistan's objectives for rebuilding better systems in the selected areas for sustainable return and resettlement of the temporary displaced persons (TDPs) who were displaced in the aftermath of the security crisis in the region. The project is therefore implemented in villages of return- prioritizing where no or little support had reached. It works in close coordination with the government at both the provincial and districts levels, and the target villages are also their high priority areas for development.

Implementation is in the hands of GIZ and KfW. The GIZ action builds up the technical and administrative capacities of the administration, focusing on its service delivery of governance, health and education. Day-to-day cooperation between GIZ and the various departments and Ministries and the extent of acceptance by the government counterparts clearly evidences the need for a reliable technical assistance that focuses governance issues. This is highlighted extensively in this report in the section on effectiveness.

The KfW action focuses on community locally-driven development to ensure ownership, stability and long-term involvement of people in their development. It covers i) social mobilization; ii) community infrastructure; and iii) livelihoods. The project follows the Rural Support Programme Approach by applying the social mobilization and community institution building process that promotes bottom-up community driven local development. AUP organizes communities and builds their capacities for active participation in local planning and development. The capacity building interventions are wide-ranging from basics of managing their organizations to enhanced knowledge and skills for addressing pressing community needs. The project entails activities such as needs-based social mobilization events, youth engagement, and health and hygiene training for women that contribute to community awareness and education on different issues. Activities such as manager conferences, exposure visits, and stakeholders' meetings enable communities to voice their rights and interact with the State, which contributes to State-Citizen reengagement process.

The constitution of community organizations is a democratic process in which the leadership is elected by the members of the community. This encourages the downward accountability or the community leadership. The concept of elections is introduced at a micro level but it is unprecedented for the people of the merged districts. This is intended to increase democratization, accountability and transparency.

Till date 305 (with 14% female CBOs) community based organizations have been formed, representing 7,366 households from over 200 TDP return villages. The community organizations of the TDPs are then engaged in identifying, planning, implementing, monitoring and sustaining community infrastructure schemes. Those are schemes that are often designed and managed by communities and often do not fall on the radar of the government. The health of these schemes impacts the day-to-day life of the remote rural communities. Till date 274 CBOs have shared their priority infrastructure needs, which provide them with access to basic needs that include, but are not limited to, drinking water supply, irrigations channels, sanitation schemes, link/access roads, bridges, power generation schemes etc. The AUP thus engages communities in rehabilitating/upgrading this basic infrastructure, which immediately improves their access to basic services. This, in turn, encourages the returning families to remain within their villages and resume life.

Likewise, during displacement the local population lost their livelihoods. The region had largely depended on black economy in the pre-crisis times. After the return, the government introduced strict regulations, which threw a new challenge for the returning families. The demand for building new skills increased for income generation. Thus, the AUP offers certified skills enhancement opportunities to the local population. This is designed to motivate the rural population to remain within their areas of origin and work towards a better life. 3,400 community members will be trained under the component out of which 1,503 men and women have been trained till date. Moreover 1,700 community members will be trained on advanced skills to equip them with the latest trends in their selected fields. The project also

conducts follow up exercises with the graduates of this program to document the impact of the training and to gauge the effectiveness of these trainings. This is a live process, the lessons learnt of which are incorporated in the upcoming training.

2.3 Is the action adapted to the institutional, human, financial capacities of the key stakeholder(s)?

AUP aims to support and sustain community-driven development interventions in order to ensure sustainable resettlement of the communities who had been displaced as a result of the crisis in the region. The project emphasizes a decentralized process where capacities of communities are built to identify needs, plan resources, implement interventions, and later establish operation and maintenance mechanisms. The project is aligned with the institutional and human financial capacities of the local communities. Where there are gaps, trainings will adjust the capacity. It is also adapted to the capacities of the provincial government, in that any perceived or real gap can be addressed by the technical assistance. The relationship between the GIZ experts and the governmental counterparts is based on trust and confidence, and on a long-standing rapport. The technical assistance has been found to be easily adjusting to fluctuating needs and capacities by means of well-developed collaboration mechanisms.

Please refer to section 3.6 for additional detail.

2.4 Were key stakeholders involved in the design of the action?

At design and formulation stage, the EU has engaged in discussion with the-then-FATA Secretariat. Based on a consultative process, AUP had been conceptualized. The Delegation has discussed with EAD, Ministry of Safron, Government of KP, FATA Secretariat and Governor of KP, (Federal identity) on the launch of Aid to Uprooted People in Pakistan. Normal procedures before finalizing the FA include identification and formulation missions for designing parameters of the project. SRSP being an old partner of PEACE programme has organized a high level meeting in consultation with FATA Secretariat of FATA Maliks representatives of different tribes on the implementation modalities of the programme and accordingly their needs have been included in the FA. The Delegation negotiated after signing of the FA with the implementing partners KfW and GIZ and accordingly the Delegation Agreements were signed individually for a period of 5 years.

In the meantime, BMZ, Germany was finalizing their rehabilitation and reintegration programme for temporally displaced persons in FATA. Therefore, both the projects are linked with a separate identified actions and budget.

2.5 Are all key stakeholders demonstrating effective commitment (ownership)?

The key stakeholders' partners of GIZ and KfW demonstrate effective commitment. During the last 3 coordination meetings the relevant line agencies and FATA Secretariat participated actively. During the MTR Mission, it was noticed that not only communities but also the state attaches high level of

importance to the project. The government represented by the District Administration in Kurram and NW categorically mentioned that they see the project as an effective tool for building state-citizen linkages. This is because the project is promoting community-driven development approach. It is organizing community-based organizations and diverting collective energies towards development initiatives. All government counterparts at provincial level express thorough satisfaction with the technical assistance, as evidenced in addition in all meetings with counterparts in the management of the day-to-day business of the governance activities at GIZ Peshawar.

2.6 Does the scope of the project i.e. the result areas sufficiently address institutional capacity gaps? How are activities identified/prioritised? Are there specific needs that are not addressed by the programme?

2.6.1 GIZ component

GIZ prioritize the activities after consultation with the local government, health and education departments.

Result Area 1 – Governance: The local governance baseline study was completed in 2019 and endorsed by the Directorate of Projects. It has identified governance challenges in the Merged Areas including lack of reflection of community needs in Annual Village Development Programmes, poor service delivery due to vacant positions and absenteeism and capacity issues of officials at the district and erstwhile FATA Secretariat level. The action responds to these challenges via the support to partners in capacity building and participatory development planning at Tehsil level for which an implementing partner was contracted in 2019. Upon obtaining the NOC, the support to Tehsil development planning will start in January 2021 as per GIZ's specific indications. *Local elections have not yet taken place in KP province hence there are no tehsil level elected representatives.*

Result Area 2 – Education and Health: With the Merger being implemented the education sector goals for Merged Areas will be reflected in the KP Education Sector Plan (ESP), which is currently under revision. In 2019, the action put significant resources into assisting the Elementary & Secondary Education Department (E&SED) to prepare budgets for the Tribal Decade Strategy (TDS), coordinating with development partners and the Chief Minister's strategic Support Unit (SSU). PKR 235 billion TDS budget for E&SED was approved by the government. The action has also provided assistance to E&SED in preparing development schemes (PC-1s) under TDS.

Result Area 3 – Health: KP has an approved Health Sector Strategic Plan based on the Health Policy of KP; the health sector planning and decision making for Merged Areas have to be aligned with the KP Health Sector Strategic Plan. The government of KP started with aligning health sector planning in Merged Areas and KP and the process of merging the Directorate of Health Services Merged Areas with the Directorate of Health Khyber Pakhtunkhwa was initiated in mid 2020 and as a first step the Director Health Services Merged Areas was stopped to exercise his powers as Director Merged Areas Directorate in September 2020, as the said post is in the process of re-designation, the action's work in this area is delayed. . Supporting this process in 2020, FATA Development Programme has planned to engage with key stakeholders to review the KP Health Sector Strategic Plan in the context of Merged Areas.

2.6.2 KfW component

In the case of KfW the activities are identified by the community organizations according to the village development plan.

Result Area 1- Community Mobilization: This component has been broken down into a few activities which include formation of broad-based and inclusive community-based organisations of men and women, their capacity building in community managerial skills, and their inclusion in a range of activities that promote state-citizen linkage development and capacity enhancement for local planning and development. The purpose is to strengthen the institutions of communities, which serve as an effective platform for mobilizing collective action for development initiatives. The CBOs identify and prioritise their critical development needs, prepare plans, and are supported in mobilizing resources for realising their needs.

During the MTR Visit, the Mission observed that the CBOs were actively engaged in the process of community driven development.

Result Area 2- Community Physical Infrastructure: This component includes rehabilitation and reconstruction of community-identified/managed infrastructure schemes. The component actively engages communities in the identification, prioritisation, planning, implementation, and operation and maintenance of the schemes. The CBOs are provided training on O&M as part of the managerial skills training workshops to prepare them for this role.

During the field visit, the MTR visited 10 infrastructure schemes and it was found that each had been identified through a mutual consensus process of the communities. The CBOs, representative bodies of the communities were actively engaging in the planning, implementation and O&M of the schemes.

Result Area 3- Livelihoods: This component includes skills training for men and women and provides them support to initiate/resume their livelihoods. The project identifies trades and vocations with community consultation and establishes a market assessment to support interventions that are economically viable and environmentally sustainable.

During the field visit, the MTR was able to meet with a few trainees of different trades and vocations. The trainees have been able to find decent livelihoods for themselves. The MTR Mission was provided with data of 530 trainees who had been followed-up by SRSP teams. SRSP conducts post-training assessment of trainees after six months of the training. During this assessment, SRSP collects data on income increase and employment generation as a result of making the skills enhancement opportunities available to the vulnerable youth of the Merged Districts. Out of this 530 trainees, the data showed that 503 trainees reported employment in local markets or self-employment and also reported income increase from PKR 5000 to 30,000 per month. These were trainees of different skills training including mobile repair training, automechanic, autoelectrician, NRM-based training etc. There is a whole list of sectors. The MTR Mission was then able to meet a few of these trainees during its field visits and verify the results shared by SRSP.

2.7 Impact of the changed context on the intervention logic and log frames

2.7.1 Changed context in the GIZ component

The following changes in the log frame of the GIZ component (C-379-849) have been made as per suggestions formulated on 25 February 2020. These are based on the changed circumstances between

the moment of design of the action and the developments after the signature of the Financing Agreement, most notably the Merger. At the time of this mid-term review, there is no need for further adjustments to the log frame in as far as the consequences of the merger are concerned. This topic was addressed with the implementation team covering all components of the GIZ project, all of whom are confident that the new log frame represents the new reality in the field, including changed needs. The evaluators agree with this position and are satisfied that the changes are appropriate and sufficient. Some indicators were revised to accommodate a new log frame template; these are not presented below.

Original indicator: 1.2 Forum / process for facilitating the meetings between Jirgas of CDBs and governmental authorities established and operational in particular in IDPs and IDP hosting communities. New Indicator: 1.1.2 Number of Merged Districts which hold public dialogue events between local officials and the public to discuss their service provision and local development priorities prior to preparation of Annual Development Programmes (ADPs). Justification: There is no formal mechanism available to the community, and especially to women, to make their voice heard through a pre-budget consultation prior to preparation of ADPs. (Please note that this indicator refers to District Council Development Plans; we have opted not to change the terminology, as this new indicator has been formally approved by the EUD).

Original indicator: 1.3 P&D applies improved planning tools and approaches based upon improved integration of community groups needs and requirements. Revised indicator: 1.1.3 Number of Tehsils of the MA which have piloted participatory development planning, which in particular addresses the needs of returned internally displaced persons (IDPs). Justification: The Local Governance Baseline found that development planning in the Merged Areas (MA) was mostly carried out under the influence of Political Administration and Parliamentarians who did not take into consideration the prioritized needs of communities incl. IDPs in areas of local governance, health, education, etc.

Original indicator: 1.4 Capacities of the Directorate of M&E in data gathering, evaluation and follow-up on actions to be taken strengthened, with special focus on IDPs and IDP hosting communities. Revised indicator: 1.1.4 Number of staff of devolved sectors trained in improved planning approaches disaggregated by sex and location. Justification: In the context of the first-time establishment of local governments in MA under the Local Government Amendment Act 2019, capacity building should encompass not only M&E officials, but officials of relevant devolved sectors.

Original indicator: 1.5. Current FATA Secretariat strategy to facilitate return of IDPs with an emphasis on community driven development, lessons learnt documented and proposal for improving/streamlining strategy developed. Revised indicator: 1.1.5 Number of draft proposals for legislative and regulatory framework, institutional strengthening and capacity building developed. Justification: 96% of IDPs have returned to their respective districts. The FATA Secretariat strategy is no longer relevant to the government partner. There is a strong demand from government partners to support in the legislative and regulatory framework, institutional strengthening and capacity building under the Tribal Decade Strategy, Accelerated Implementation Programme and Local Government Amendment Act 2019.

Original indicator: 1.7 Independent Project Reporting (IPR) teams randomly covers selective facilitated communities and report on their perception towards development initiatives to relevant stakeholders; FATA Secretariat, SRSP, FDP. Revised indicator: Deleted. Justification: As a result of the FATA merger and the establishment of local governments in the tribal districts, the gap in communication between civil society and the state is being closed. Local government staff has been posted at Tehsil level, and M&E staff at the District level are in charge of monitoring development schemes (PC-1s) in the tribal districts. Monitoring and reporting on project interventions will be ensured through close backstopping with implementing partners. A separate independent project reporting is no longer relevant.

Original indicator: 2.1. Quality Assurance Plan (QAP) implemented based upon results of baselines, gap analysis and implementation of approved DHIS Quality Standards. Revised indicator: 1.2.1. Number of

District Health Information System (DHIS) Merged Areas staff at directorate and district level trained on accurate, complete and timely reporting as per DHIS Quality Manual. Justification: The QAP was a tool developed for improvement of data quality of DHIS in MA. After the merger, it has become irrelevant as the KP province will implement a federal level decision to upgrade to DHIS 2 (an advanced and web-based version). This makes support to implementation of QAP for DHIS irrelevant.

Original indicator: 2.3. Quality Group Members including those from directorate of health and agency/FR evaluate and implement the proposal for quality health services submitted by LQTs including from IDPs or IDP hosting community areas. Revised indicator: 1.2.3. Number of District Health Officers and Planning Officers trained on development of PC-1 (development schemes) and inclusion of community needs in Annual Development Programmes (ADPs). Justification: In the post-merger scenario the KP province is not working on establishment of Local Quality Teams (LQTs, Community Development Bodies). In addition, health has been taken out of the new KP Local Government (LG) Act 2019 and is centralized back to the provincial level. Therefore, it does not make sense to establish LQTs only in Merged Areas, which would not be sustainable.

Original indicator: 2.4. Health Sector Analysis (HSA) for FATA has been conducted and Health Sector Plan (HSP) has been developed that provide a strategic framework for the plan period including IDPs and IDP hosting areas. Revised indicator: 1.2.4. Number of consultative high-level workshops held to review the KP Health Sector Strategic Plan in context of Merged Areas. Justification: In the post-merger scenario, the Health Sector Strategic Plan of the KP province based on the Health Policy of KP is now also applicable to the Merged Areas. The health sector planning and decision making should be aligned with the KP Health Sector Strategic Plan as Merged Areas are now part of KP. It does not make sense to have a separate health sector plan only for the Merged Areas.

Original indicator: 3.1. Extent of support provided by Education Sector Management Information Systems (EMIS) in decision making with respect to planning and development, teaching staff allocations, and accountability. Revised indicator: 1.3.1. Level of integration between Education Sector Management Information Systems (EMIS) in Merged Areas and KP. Justification: The proposed change measures level of integration between EMIS in Merged Areas and KP. While the implementation approach remains the same, the revision makes the indicator more specific and measurable.

Original indicator: 3.2 Number of district level operational plans developed on the basis of needs defined in education sector plan. Revised indicator: 1.3.2. Number of district level education plans developed using Independent Monitoring Unit (IMU) data. Justification: The proposed revision aligns the indicator with the realities post-merger, as GIZ is using IMU data in preparing District Education Plans (DEPs), making them more representative of needs identified through real time data gathering.

Original indicator: 3.3. Number of Education management and sector personnel of the administration for MA trained on management, planning techniques, monitoring, assessments and management information systems, disaggregated by sex, institution, district, tehsil, cluster, and school. Revised indicator: 1.3.3. Number of (a) Education management and sector personnel of the administration for MA trained on management, planning techniques, monitoring, assessments and management information systems, (b) Members of Parent Teacher Councils (PTCs) in MA disaggregated by sex, institution, district, tehsil, and school. Justification: The revision aligns closely with the need of the Elementary and Secondary Education Department KP that requested GIZ to expand capacity development interventions beyond the management level, including both government officials and civil society members in the PTCs.

2.7.2 Changed context in the KfW/SRSP component

The effect of the changed context from FATA to Merged Areas/Merged Districts is described below for the KfW/SRSP component, and in particular the Action responded to and positioned itself to the changed context. The way in which the action responded and adapted to the changed context needs to

be examined at three levels: institutional level within the province, linkages with local government structure and the modus operandi of the bottom-up and top-down approaches converging at the district level.

As a result of the merger, the political partner structure of the action changed significantly. Previously, there were two separate Secretariats- the KP Secretariat and the FATA Secretariat. After the KP-FATA Merger in 2018 the FATA Secretariat was dissolved and all its departments were merged with their relevant departments at the KP Secretariat. There is now only one Secretariat, that is, the KP Secretariat which functions for both the newly Merged Districts as well as old districts.

At the institutional level: Due the change in context post-merger of FATA into KP in 2018, the counterpart/political partner structure of the action changed significantly. *The responsibility for donor-coordination has shifted from the Directorate of Projects (DoP) to the Foreign Aid Section of the Khyber Pakhtunkhwa Planning & Development Department (the Foreign Aid Section was renamed in December 2020 into “International Development Section”).*

Linkages with local government structure: The Government of Pakistan made several attempts to introduce local government system in the erstwhile FATA in 2002 and 2012. However, these attempts failed mainly due to security concerns and structural bottlenecks. After the merger, the Provincial Government enacted KP Local Government (Amendment) Act 2019 whereby drastic changes in local government system were brought by abolishing the District Councils and Union Councils. The justification for this move was firstly that Tehsil Local Government is more accessible to citizens; and secondly it meant to avoid the overlapping of functions between district and tehsil administrations. Under the new devolution law in the province, there is no district level of elected bodies. The functions are undertaken at that level through the District Administration. The local government elections are yet to be held in KP and Merged Areas at Tehsil level and Village and Neighbourhood Councils level. This project is aligned with the merger because it works in close coordination with the Planning and Development Department at provincial level and the District Administration as well as Tehsil Municipal Administrations and at the community level.

Modus operandi of bottom-up and top-down approaches: The action envisaged that KfW/SRSP's community mobilization approach would be undertaken with the IDPs and vulnerable communities at grassroots level in villages whereas GIZ would build capacities of provincial government departments. Communities' needs would then be translated into Village Council Development Plans, further to be crystalized into Tehsil Council Development Plans and amalgamated into District Development Plans. The top-down approach implemented by GIZ would converge with the bottom-up approach at the district level at which point the District Development Plans will inform the district 'Annual Development Plans'. However, as GIZ never got an NOC and therefore could not directly implement/work at district level, the bottom-up and top-down approach did not meet at district level in the changed in context. Nonetheless, in absence of NoC, GIZ continues building the capacities of provincial Education, Health and Local Government departments and KfW/SRSP works with district administrations and communities in the target districts. The change in context does not have any bearing on the NOC situation and the working modalities of GIZ and SRSP at present. GIZ's implementing partner IMSciences has entered into a draft MOU with the KP Local Government department and upon approval of the MoU, GIZ will be able to implement its interventions in the field through IMSciences. This may potentially provide some convergence between the bottom-up and top-down approaches within the districts.

2.8 Indicators

2.8.1 Log frame analysis - Financing Agreement level

Definition of the indicators and relevance to measure the achievement of the objectives: The indicators for the overall objective (to facilitate the reintegration of FATA IDPs by creating a favourable environment for their return) can be more comprehensive by including: **a** reduction in the KP and merged areas poverty levels as defined by the Government of Pakistan; **an** increase in the country's

Human Development Index (HDI) score % of population, segregated by gender, in the targeted areas of merged areas with improved incomes; % of population, segregated by gender, in the targeted areas graduating from lowest to upper poverty score card (PSC) band levels; sustainable reduction in gender inequalities in targeted areas resulted from the implementation of gender-sensitive interventions.

SO 1, "to improve the service delivery capacity of the FATA Secretariat and assist the reform process in FATA" is complex. It addresses two very different objectives, namely improvement of service delivery and reforms. SO 1 should have been divided into two different SOs to support an adequate measurement.

Result 1.1 under this objective suffers from a similar combination of very different measurements, to the extent that the result becomes non measurable. : "the FATA Secretariat is able to better analyse, prioritise and deliver the services needed by the local communities". Here as well, disaggregation would have been necessary. Quite importantly, the result has not been adjusted to the merger. Result 1.2 (The FATA reform process is progressing at federal and provincial levels) has become irrelevant in the sense that the headquarters has been merged with the local office. Results 2.1, 2.2 and 2.3 are well defined and the indicators are smart.

SO 2, "to support and sustain community-driven local development initiatives in selected areas to create a favourable socioeconomic environment for returning IDPs" is well defined and the indicators are appropriate and relevant.

Data availability: please refer to the log frame analysis of respectively the GIZ and KfW/SRSP components in the following two sections.

Gender disaggregation: The sex is defined for the disaggregation of indicators. It is essential to disaggregate the indicators location, education, CBOs/Community institutions, type of trade and vulnerability.

Baselines: Several types of data have been collected but the baseline has not been rationalized yet. With regard to the baseline, it is essential to note that due to the security situation in the project districts, data collection is restricted. Nonetheless, the project has been able to collect basic data using Village Profiles that have basic area information and serve as baselines. AUP is present in 264 villages for which it has collected village profiles (1 village profile/village). Data cleaning exercise has been completed for 253 profiles and for the remaining the exercise is in progress.

Target values have not been set yet for some of the indicators.

2.8.2 Log frame analysis - GIZ component

At the outcome level, the indicator is still worded in terms of improvement of service delivery capacity of the FATA Secretariat, while the local office has already merged with the headquarters. The values appear to have been copied and pasted from other proposals, as they relate to Punjab as well, which has no bearing with this project. The definition of the indicator is based on perception about public services provision. Service delivery can be adequately measured with objective criteria that go far beyond individual perception. The inclusion of Punjab in this indicator is an oversight that is not acceptable after the log frame was amended with the assistance of the EUD.

The result indicators in the governance component are mostly well defined and relevant. They have been discussed in detail during the field phase and were found to be a workable basis for assessment of progress of the work. However, where preparation of Annual Development Plans and development planning is concerned, indicators are missing that define the number of ADPs that have been prepared, or that define the extent of the development planning; instead, the activities that lead to these results

are defined as indicators. A possible indicator would read "Number of ADPs developed with active participation of the public through public dialogue events".

Indicator 1.1.6. (Status of mechanism for coordination between community component (SRSP) and governance component) is irrelevant under Result Area 1.1 – Governance. It pertains to the relationship with another project, and not to the governance level in KP.

The result indicators in the health component are well defined and relevant, irrespective of the low level of activity that is currently taking place.

The result indicators in the education component are well defined and relevant except for indicator 1.3.4. (percentage of budgetary allocation of the Education Sector Merged Areas ADP aligned with needs identified in government's Education plans. That is not a result area but an indicator pertaining to the outcome level.

All data are readily available. The three components have updated the current values for their respective indicators on request of the evaluation team. These data are captured in a professional data management system that is accessible to GIZ staff.

Baseline values are incorporated in the LFA. Most of the indicators have appropriate values. In some indicators, such as those pertaining to training, the baseline value is shown as zero whereas most probably there had been previous training before this project started. The indicators should then be formulated as "number of persons trained by the project". It is, however, relevant to establish a baseline of number of persons who have been trained before this project was implemented.

There is a definite need, four years into a five year project, to define the indicator and target for the overall objective / long-term impact. The target for the specific objective appears rather random (apart from its perception basis), and in any event needs to be focused on KP only (by deleting the flawed reference to Punjab province).

The targets for Result Area 1.1 (Governance) appear under-ambitious. This may be related to the changed context. The targets of result area 1.3 (education) are well defined and articulate.

2.8.3 Log frame analysis - KfW/SRSP component

The overall definitions of the indicators are appropriate and the log frame outlines a measurable set of data that can be used to accurately inform management decisions. This is because the indicators are calculated concretely.

The targets for the indicator of overall objectives have not yet been updated, although more than half of the project implementation time has lapsed. The target set for the project has not yet been established:

- Number of TDPs benefiting from sustainable incomes
Baseline: 227,284 families return to their areas of origin (as of Jan 2017)
Target: To be identified
- Number of TDPs enjoying improved social conditions
Baseline: 227,284 families return to their areas of origin (as of Jan 2017)
Target: To be identified
- Percentage of increase in income of trained community members
Baseline: It will be established as soon as the TNA's are completed.
Target: To be identified
- Percentage of trained community members who perceive that they are getting sustainable income

generation opportunities after receiving training (Link with MIP indicator n.6)

Baseline: It will be established as soon as the TNA's are completed.

Target: To be identified

This is not acceptable; it is very basic and the nucleus of the project is to address the vulnerable group of the target area under the AUP. But so far the indicators of the project target address the "TDPs" rather than the vulnerable people to measure the performance of the project.

The implementation partner SRSP has developed a comprehensive and integrated way of collecting data for this project. Data like including ground, GPS coordinates, population, etc. cannot be collected due to the security circumstances of the area but all other project data included beneficiaries, trainings, trainees, CBOs and other activities of the project are collected and reported in the best way possible.

The disaggregation of indicators is limited to gender and location in most of the indicators. This gender desegregation and location mostly cover the activities related to community mobilization. The following are some indicators in which further disaggregation need to be done:

Indicator	Indicative disaggregation
Number of women who have received basic health and hygiene training, disaggregated	disaggregated by age, location, education and disability
1.9. Number of manager conferences organized for CBOs and government representatives	disaggregated by line agencies, type of CBO and location
1.10. Number of youth which participated in recreational activities organized under AUP, disaggregated by location and gender	disaggregated by age, education and disability
3.1. Number of community members from vulnerable households who have received skills development training, disaggregated by gender and location	disaggregated by age, type of trade and disability
3.4. Percentage of training participants selected as per the pre-developed and approved selection criterion, disaggregated by gender	disaggregated by age, location, education, type of trade and disability

Baseline. Critically, different types of data like training need assessment, market assessment, community mobilization/ CBOs existing assessment, situation analysis had been collected but the baseline information in the LFA has not been updated yet. Furthermore, it is important to note that there is restriction on household surveys/ comprehensive data collection exercises in the target areas. Given that the region has suffered deprivation and local population require immediate redressal steps, the government encourages immediate intervention delivery that would promote sustainable resettlement of the returning population. Nonetheless, baseline data is essential to ascertain the impact of the interventions. In order to ensure that the project is aligned with government priorities and Standard Operating Procedures of the government are followed, SRSP does the following;

- i) Baselines are collected using 'Village Profile Format', which provide basic area information. Hence, baselines or Village Profiles as they are called under AUP are being collected. We have so far completed 260 Village Profiles for the 260 villages AUP has reached. Data cleaning has been completed for 253 profiles and for the remaining the process is in-progress. The data for around 70 villages was also presented in the Annual Report 2019 (hence an evidence that the project conducts baselines using village profiles). In fact, this report also acknowledges on Page 40 mentions that SRSP undertakes village profiles that provide baseline data.
- ii) The village profiles are collected as and when the project expands geographically so that the time between baseline collection and intervention delivery is narrow and the project is immediately available to facilitate communities.
- iii) SRSP discourages the use of sophisticated gadgets for data collection. The process is manual and hence, time consuming when it comes to data computation and cleaning.

Target values. AUP is a five-year project so it would have been better if the annual milestones had been set for the project. LFA was updated once but the milestones were not determined. annual performance of the project could not be better evaluated in the absence of annual milestone. For example, the performance of the project in the first two years was not well but the LFA is completely silent on this under performance. In a five-year project, it is vital that annual

milestones be set and annual performance critically reviewed and LFA will be updated accordingly.

There is a strong impression that the targets have been kept artificially low. For example, the implementation partner (SRSP) has extensive experience in community mobilization and has been working in the target area for a long time. Furthermore, this is a five-year project, providing ample opportunity to reach higher targets.

Some examples include:

“4. Percentage of CBOs who are taking local initiatives/ developed linkages with government and non-government actors – Target: 40% CBOs”.

“5. Percentage of CBOs who are meeting and updating their registers on a monthly basis /frequency as agreed upon by the members – Target: 40% CBOs”.

“1.3. Number of CBOs federated into Community Networks (CN), disaggregated by type of CBO – Target: Up to 120 CBOs”.

“1.5. Percentage of female CBOs organizations formed – Target: 5% of the total 340 CBOs/CIGs/Citizen Groups/Networks”. It must be noted that in a similar nature project in the same target districts, the IP has set a 15% target for the formation of female CBOs.

3 EFFICIENCY

3.1 Have the chosen implementation mechanisms (incl. choice of implementation modalities, entities and contractual arrangements) proved to be conducive for achieving the expected results?

3.1.1 Implementation mechanisms between GIZ and KfW/SRSP

Under result 1.1.6 of the GIZ logical framework, the indicator of which is labelled " Status of mechanism for coordination between community component (SRSP) and governance component (FDP)", one notes that a coordination mechanism is in place and operational. Monthly coordination meetings take place at technical level, and annual review meetings focus on the strategic management. One workshop took place in September 2015 ⁴. The main objectives of the workshop included exchanging with representatives of the FATA administration and its decentralized structures; exchanging on potential complementarities and synergies of the projects, in particular with a view of strengthening governance processes in FATA; understanding and clarification of key roles and responsibilities; elaboration on monitoring and quality assurance mechanisms; understanding risk and realistic risk mitigation. Important was that agreement was reached that regular information exchange forums should be undertaken (including a bi-annual meeting between the FATA Secretariat, the donors and the implementing partners) is needed to provide information on the progress of the projects. However, this forum should not take on any mandate as a decision-making forum.

Remarkably, the KfW/SRSP does not contain an identical result indicator.

Other meetings took place on 9 August 2017 (two years after the first meeting); 9 October 2018; 18 October 2019.

Before the start of implementation, it was decided by the Economic Affairs Division and also discussed in two meetings held with the Additional Chief Secretary FATA to have a regular coordination meeting of the partners and stakeholders (substantiating meeting minutes available). Therefore, a steering committee will not be required and the coordination meetings such as the ones held under the above result area was considered sufficient.⁵

Detailed analysis of the minutes of said meetings reveals mostly information sharing and discussion (with the minutes of the third meeting consisting of only a handful of bullet points), with often quite fundamental topics addressed, such as the slow implementation pace, the possibility of an amendment to the Financing Agreement, the relevance of health interventions. However, as per its mandate, no decisions are made. This is clearly a missed opportunity for strategic management.

Monthly operational meetings are taking place between GIZ and SRSP.

⁴ September 9-10, 2015, Pearl Continental Hotel, Peshawar

⁵ Minutes of the 2nd coordination meeting, 9 August 2017

Synergies between both components are possible. Education is one obvious area where linkages between the Parents Teachers Councils (at GIZ level) and the Community Based Organizations (at SRSP level) can be made. GIZ district staff can benefit from access to an SRSP list of community organizations. In governance, synergies are likely to be affected by the elections.

The minutes of the September 2015 workshop, the first joint meeting between the implementing partners, is very vague on potentials for cooperation. The section on this topic identifies duplication, best practices and adequate methodology as expected benefits of cooperation. The means of how cooperation should be organized include meetings and workshops, annual meetings, reporting achievements, best practices, monitoring, and lessons learnt. No hands-on implementation synergy is referred to. De facto, the bottom-up approach as employed by SRSP and the top-bottom modus operandi of GIZ - which as per the design of the programme in the Financing Agreement would have them meet half-way, is thus not addressed.

During the field phase, the evaluation team organized a brainstorming session between KfW/SSP and GIZ. This was an exercise that had clearly not been done before, during which at one point the argument was explicitly made that there was a contractual obligation for cooperation, not for synergy, and that with one year of implementation remaining, complementarity is "a tall order". The fact that GIZ experiences more district access restrictions than SRSP would suggest that SRSP could facilitate the former. A forum can indeed be provided by SRSP, but the priority for KfW/SRSP is on achieving the contractually binding targets without complementarity efforts slowing down the work.

Ways have been explored for GIZ to work in the Merged Area under the umbrella of the SRSP NOC. This is, however, not a viable option in the context of strictly monitored movements in the target districts.

3.1.2 Specific implementation mechanisms in the GIZ component

Implementation mechanisms are dictated to a large extent by the field challenges. With security being a challenge and GIZ not having received a Non-Objection Certificate for access to their target districts, the work through implementing partners is all the more important.

One of such partners is the Institute of Management Sciences. It has been ranked as the 4th best business school of Pakistan by the Higher Education Commission (HEC) in its ranking of public and private universities/institutes. The contractual relationship between GIZ and IMS is quite important given the size of its Financing Agreement compared to the overall budget of the EU/BMZ funded action. No contractual or financial issues were raised. Payments are made in time and in advance by GIZ, with IMS not suffering any delays based on cash flow.

The implementation mechanisms are not documented in GIZs annual reporting to the EUD. This was a source of significant confusion for the mid-term review, as it is very hard to attribute EU-funded activities to the Financing Agreement, when it is not made clear which activities are implemented under which budget. Several activities have been reported on that are funded by donors other than the EUD under the contract that s the subject of this evaluation.

Of particular significance are the travel restrictions imposed by GIZ on its international staff. While it is fully understood that these rules are in place for reasons of corporate responsibility towards its staff, and that international staff is required for management purposes as per GIZ procedures, the remote management that comes with it can at times be burdensome and less productive than desired.

3.1.3 Specific implementation mechanisms in the KfW/SRSP component

On July 24th, 2017, KfW signed a contract with SRSP, Sarhad Rural Support Programme, for the bulk of the implementation. It was counter-signed by SRSP on August 26th, 2017. This contract covers 15,800,000 €, leaving KfW 1,200,000 € to fund their coordination activities. To this end KfW signed a Financing Agreement with SRSP for the amount of up to 15,800,000 EUR and a Separate Agreement outlining the implementation concept and budget lines of the Action. The Separate Agreement details the working relationship between both, including the implementation concept budget allocations, reporting requirements, and compliance rules.

A separate contract for consulting services between SRSP represented by KfW and Associates in Development Pvt Ltd (Aid) was executed on December 1, 2018 and its completion date is July 31, 2022.

The Terms of Reference for the Monitoring Consultant (AiD) clearly defines the roles and responsibilities expected of the Consultant. SRSP assigns tasks to the Consultant that help to ensure the desired quality of the project. Core activity is to carry out quality monitoring in the field, including a comprehensive documentation of findings. Findings are to be taken further as recommendations to SRSP with the aim to improve on the realization of individual interventions, to identify success criteria from best practice examples as well as reasons for failure, both which should be clearly communicated to SRSP. AiD shall be open for SRSP, Agency and tehsil representatives to join their field missions with the objective to provide hands-on capacity building opportunities. The Consultant must not implement the project or parts of the project in order to keep the necessary distance that enables him to carry out his objective monitoring. While supporting SRSP's PMU for both projects in certain aspects, AiD must not accept implementation tasks from SRSP.

AiD has developed an Inception Report, which further unpacks its roles and categorizes them into two distinct roles, i.e. technical assistance and monitoring. Under technical assistance, the inception report (p. 13-14) mentions that the Consultant will facilitate SRSP in design improvement by conducting reviews of the scheme designs submitted by SRSP.

The MTR Mission highlights two observations in this regard:

- a. The distinction of roles and responsibilities between the Project Executing Agency and the Monitoring Consultant is blurred. The Consultant reviews/improves the designs, concurs the designs, SRSP implements the concurred designs, and in final synopsis, the Consultant undertakes three field visits per scheme to monitor the implementation of the work against the design that it had jointly developed/improved and concurred. AiD's role in scheme design and concurrence results in involvement in implementation. This goes against the terms of reference that state in relevant part "The Consultant must not implement the project or parts of the project in order to keep the necessary distance that enables him to carry out his objective monitoring". It also raises concerns on grounds of conflict of interest. A consultant can either be a technical assistant and by virtue of this role undertake scheme design improvement/concurrence or be a monitoring consultant who is to monitor the work of the implementing partner and suggest improvements.
- b. Management of the monitoring consultant:
 - The cost for monitoring consultant is placed within SRSP's budget. This implies that he should be sub-contracted by SRSP and report back to SRSP. In reality though, he has been contracted by KfW on behalf of SRSP and the payments are released by KfW on the request of SRSP as per Clause 5 on Page 3 of the Agreement on Contracting a Monitoring Consultant (Agency Contract) signed between SRSP and KfW (Annex-2). This leads to a compromised accountability mechanism of the third-party monitor. There is an agreement signed agreed upon between SRSP

and KfW for this contractual modality. It seems as if the consultant is wearing multiple hats all the time. In terms of management, the lines remain unclear due to the factor explained above. The consultant, to maintain its independence and neutrality, should be hired by KfW as independent third party monitoring consultant.

- AUP is paying EUR 0.8 million out of the total budget (EUR 17 million) for this specific role. The contract is designed on time-basis. Staff timings are budgeted and invoiced likewise regardless of whether the activity has been completed or not, whereas in milestone-based contracts the payments are conditional to achievement of agreed upon milestones/outputs. This creates the potential for exploitation. The longer the project prolongs for it would always benefit the Consultant. However, the accountability for delay if it occurs as a result of the consultant is missing, thus creating a win-win situation for the consultant. The incentives for the consultant to pace up the project are therefore compromised.

3.2 Specific accountability measures in the KfW/SRSP component

Community physical infrastructure works incur a heavy accountability burden. Large sums of money circulate in often impoverished areas where beneficiary community organizations often lack the basic skills, including literacy, to properly account for disbursed funds.

One of the important steps in CPI is the costing and estimation of the scheme infrastructure. Up till now two approaches have been used in AUP. Accordingly, instalments have been released to the communities for procurement of equipment. A project committee is nominated, comprising 3 to 6 members, wherein the committee selects the Chairman. The committee arranges labour, machinery, materials and pay to skilled/unskilled labour and maintains records of all financial activities. It liaises with SRSP and ensures the release of financial instalments. Up to mid-2020 the project applied the SMR (split market rate) approach; after that, the approach has been changed to CSR (composite schedule rates).

Following are the details of both approaches.

a. Split (materials +labour service) Market Rates (SMR) Approach

CSR is applied in government and considered transparent. Since AUP schemes do not involve contractors, the contractor's profit and taxes to the amount of 22% of the total are deducted from the estimated cost to arrive at the actual cost for community-based projects. The engineering estimates (BOQ) are also verified during final measurements. This is the most conventional and widely used costing approach. Costing is based on actual market rates plus real transportation cost. The BOQ is split into materials and labour services (skilled & unskilled). This approach has the following advantages:

- it is easy to understand, and thus enables the community to plan for required quantities of materials accordingly;
- makes the community aware about the types, specifications, quantities of the required resources for carrying-out the scheme;
- renders arrangement and procurement of required materials easy and practical;
- makes it easy for community to keep the track and record of the expenditures for each type of materials and human resources;
- is relatively more convenient for the 'Audit Committee' of the community to check, verify and confirm the expenditures done in the project;

- there are no contractor's profit, overheads and taxes included in the cost estimation of the schemes, no over time charges, additional community efforts in terms of unskilled labour, plus the BOQ is based on real time market rates with low-cost local labour – all these make this approach a 'cost effective' one; and,
- standard operating procedures (SOPs) for collection of quotations for each material is on Government/District Administration regulated rates duly presented to concerned community and concerned SRSP staff, thenceforth community and SRSP verifies these rates, and finally the rates are again revisited after 6 months in each district. This implies that there is sufficient cost-control mechanism within the system.

b. Composite Schedule Rates (CSR/MRS) Approach:

Though the SMR approach is most suitable and widely used in community physical infrastructure projects, the context of NMDs makes it difficult to follow the proper SOPs step by step in a correct manner. The main reasons for it are:

- challenges in ensuring correct market rates of materials;
- ensuring correct transportation costs;
- limitations in case of abnormal market fluctuations;
- potential difference in procurement and quoted rates;
- difficulty for the community 'Audit Committee' in tracking the rates for the full project duration; and,
- very low literacy rate amongst communities which makes proper record keeping of the materials and labour almost impossible for them.

Keeping in view the capacity and understanding of the local communities, AUP project management and engineers were advised to follow a more realistic approach with proper means of verification and an authentic backing of a legal entity: the government approved 'Composite Schedule Rates (CSR/MRS)' as basis of costing and estimation of all types of infrastructure projects with relevant area factor. This approach is also used in the CDLD programme, funded by the EUD. Therefore, in AUP CPI schemes:

- Contractor's profit, overheads and tax provisions (22%) are deducted from the estimated cost to get the real actual cost for community-based projects;
- For contractor-based schemes, the contractor's profit, overheads and tax provisions are not deducted from the estimated cost; and,
- Record keeping at community level regarding procurement will become a secondary option, as the payment would be done through measurement-based work done.

3.3 Do the resources funded by the Action and actually made available correspond to the needs of the Action?

3.3.1 GIZ component

It is not possible to calculate and come to an informed opinion on whether the resources correspond "precisely" to the needs of the Action for several reasons:

1) While disaggregated data is available for implementation, GIZ reports in a non-disaggregated manner on both activity implementation and financials. This is not distinguished in the annual reporting. Multi-donor reporting is a good way for an implementing partner to illustrate the full portfolio of interventions. However, it does not allow for proper donor accountability.

For instance:

Indicator 1.1.2. Number of Merged Districts which hold public dialogue events between local officials and the public to discuss their service provision and local development priorities prior to preparation of Annual Development Programmes (ADPs): implemented by UNDP, not funded by EU/BMZ budget, but reported in the results chain.

1.1.4 Number of staff of devolved social sectors trained in improved planning approaches disaggregated by sex and location: implemented by UNDP, not funded by EU/BMZ budget, but reported in the results chain.

1.1.5 Number of draft proposals for legislative and regulatory framework, institutional strengthening and capacity building developed: partly implemented by UNDP (although with significant technical assistance from GIZ under this budget - precise allocation unknown - , not funded by EU/BMZ budget, but reported in the results chain.

Of particular importance is that the implementation mechanisms are not reported on in the annual GIZ reporting to the EUD. The institutional set-up only became clear during the field phase. This is particularly sensitive now that this mechanism of implementation represents almost a third of the global budget. In the financial reporting, this is not disaggregated.

2) the expenditure currently stands at about 22%, which is statistically insufficient to extrapolate a judgment on equation between available funds and required funds.

3) of the total expenditure, most human resources are funded by BMZ, rendering the EU-funded expenditure against the global budget even smaller and therefore less open to a judgment on this issue.

This having been said, and apart from a mathematical calculation, it appears to be clear that the unspent balance is highly unlikely to be fully spent before the end of contractual implementation, and that there is scope to take on additional activities that can be sub-contracted and executed at a more accelerated rhythm than technical assistance can.

3.3.2 KfW/SRSP component

It is equally difficult to ascertain on the basis of general budget figures and of a technical evaluation (as opposed to a financial audit) that the resources in the KfW component correspond to the needs of the Action on three major grounds:

1) The budget as negotiated with the EUD came with a variable target values that depended on needs assessments and community mobilization to be eventually realised and rationalised during the Inception Phase. This is most tangibly demonstrated by the downscaling of the Community Physical Infrastructure target from 600 to about half that without a change in the budget. Since the budget which stipulates the resources for the AUP project were identified without determining the scope of the project as reflected in its targets, the resources funded by the action do not correspond to the needs of the action. This has been explained in detail in Question No 3.1

2) More than half of the CPI schemes have not been budgeted yet.

3) The exchange rate between the Pakistani Rupee and the Euro has fluctuated widely over the course of the implementation time frame. The minimum range hovered around 1 € = PKR 110 to 120, and the maximum around 1 € = PKR 190 to 195.

Even an approximative estimate of correspondence between resources and needs would have to be accompanied by an audited accounting that takes into consideration the above aspects.

3.4 If there were delays, how important were they and what were the consequences ? What were the reasons for these delays and to what extent have appropriate corrective measures been implemented ?

3.4.1 Delays in the GIZ component

The GIZ component is severely delayed, to the extent that just over one fifth over the budget has been executed.

The Financing Agreement DCI-ASIA/2015/037-860 between the Islamic Republic of Pakistan and the European Union, entitled "Aid to Uprooted People", was signed by the European Commission on February 2nd, 2016, and by the Economic Affairs Division of the Government of Pakistan on August 23rd, 2016 (6 1/2 months later). The contract between the EUD and GIZ was signed by all parties on December 9th, 2016 (10 months after the EU signed the Financing Agreement).

Significant delays were incurred in 2018. The FATA merger and the General Elections in 2018 significantly affected all donor activities and delayed the implementation of programme activities.

The merger was decided at a very rapid pace on the eve of the federal elections. On 24 May 2018, the National Assembly of Pakistan voted in favour of an amendment to the Constitution of Pakistan for the FATA-KP merger which was approved by the Senate the following day. Since the change was to affect the province of Khyber Pakhtunkhwa, it was presented for approval in the Khyber Pakhtunkhwa Assembly on 27 May 2018, and passed with majority vote. On 28 May 2018, the President of Pakistan signed the FATA Interim Governance Regulation, a set of interim rules for FATA until it would merge with Khyber Pakhtunkhwa within a timeframe of two years. The 25th Amendment received assent from President Mamnoon Hussain on 31 May 2018, after which FATA was officially merged with Khyber Pakhtunkhwa.

A caretaker government was in office for several months until the newly elected provincial and federal governments were established. There was a strong focus on the PTI100 day plan in autumn 2018. The provincial administration was not prepared for the merger. Roles and responsibilities of former FATA Secretariat departments and directorates and their counterparts in the KP Civil Secretariat remained unclear. Decisions were pending throughout the caretaker government as well as during the PTI 100 day plan. Strategies, policies and plans to implement the FATA Reform were put on hold and are under revision to reflect and include the priorities of the KP government. Decisions on new legal and administrative structures, the establishment of LGs, planning mechanisms (ADP, sector plans for e.g. education and health sectors) and budget allocation were awaited. Developments gained traction around the turn of the year with a positive outlook into the year 2019, but the year 2018 was a year of slow implementation as a result of the above elements.

Lack of access to the Merged Areas remains a permanent challenge for the action. After significant delays in implementation due to the FATA reforms process and the merger, rejection of non-objection certificates (NOCs) delayed project implementation even further. Three NGOs which were selected as implementing partners in the result areas dialogue and health did not

receive NOCs for their interventions. GIZ has never received any NOC and therefore have been working in the target districts to a very limited extent only.

As a mitigating measure, GIZ works through implementing partners. These are subject to pre-selection, technical and financial suitability check (consulting, public institutions, NGOs), checks of references and background to ensure competence and capacity before contract award.

COVID has impacted in a major way during 2020, and has the potential to continue to impact negatively as the start of 2021 sees a surge in cases that suggests that access to government officials and districts is almost certain to remain limited. Internal GIZ health and safety regulations are justifiably strict and limit face to face meetings significantly, thus reducing effectiveness as internet-based connectivity is far from reliable.

Despite the serious delays, GIZ expects that the project activities will be implemented within the remaining one year until December 2021. A discussion has taken place during the evaluation field phase on the feasibility of the remaining work plan. It is the position of GIZ that until the end of 2021, the balance of the work can be carried out and that a decision on an extension cannot be made anyway before the first half of 2021, at which time the German Ministry BMZ will determine its position on an extension.

In the opinion of the evaluation team, the magnitude of the delays and the financial execution backlog coupled to very difficult access to the target areas and the resurgence of the COVID-19 crisis is highly likely to negatively impact on the remaining implementation. This will need to be followed up in the first half of 2021, as no meaningful recommendation can be made at this stage pending the decision by BMZ on the issue of an extension.

3.4.2 Delays in the KfW/SRSP component

A number of factors have delayed implementation of the SRSP component. Even if the project has efficiently strategized to fast-track implementation, these delays have a potential impact on the achievement of certain deliverables. The reasons for these delays and its impact on programme implementation are as follows:

- a) Delayed initiation of the project on the ground: The contractual implementation duration is 5 years from January 2017 to December 2021. The EU and KfW signed an agreement in December 2016. SRSP started the implementation from July 1st, 2018., which is 18 months after the planned start date. First KfW and SRSP signed their Separate Agreement in August 2017, 8 months after KfW signed its contract with the EUD. At that point in time, SRSP needed to complete and file an NOC request. This was done in September 2017, but it took 6 to 7 months for the NOC to be approved: the NOC came through on March 2nd, 2018. It was only then that SRSP could submit the first tranche payment request. The tranche was released to SRSP on June 29th, 2018. Project implementation started two days later, that is, on July 1st, 2018.
- b) Delay in tranche release in 2020: The project lost another 7 months (i.e. from February 13th to September 14th, 2020) of implementation majorly due to lack of funds. The transfer of the 2nd and 3rd tranche were delayed mainly due to wrong calculations of the KfW remuneration in the overall budget of the Delegation Agreement. This was spotted at the time of processing of the payment request by the Delegation's Contracts and Finance Section. For the correction/revision of the budget, an Addendum was processed (with the corresponding time that this procedure typically takes) and figures in the progress reports were corrected.

The last available tranche under AUP was exhausted on February 13, 2020. In order to avoid an abrupt halt, SRSP continued to bridge the gap with PKR 75 million to cover mostly operations and some programme cost from its own funds. However, soon these reserves were consumed because

the project had picked up pace and required a continuous flow of funds. The absence of funds for 7 months greatly affected the project pace. In September 2019, it was jointly agreed between the partners (SRSP, AiD, KfW and the EU) that the project would identify/initiate at least 150 community infrastructure schemes by mid-year 2020.⁶ While the project was able to keep up with the targets for identification/designing of the schemes, it was not able to ensure the required pace of implementation due to lack of funds. Till the time the tranche became available, progress worth of EUR 484,752 was pending on the infrastructure schemes. This lack of funds not only affected the CPI component but the livelihood development component as well. The summary of the delays is as under:

- During said time, SRSP with support of the monitoring consultant was able to finalize designs and BoQs of 30 schemes. However, SRSP was not able to launch them due to insufficient funds till the tranche was received in September 2020.
- There were 24 schemes that had up to 50% of civil works done and were awaiting release of second instalment that could enable the communities to continue and finish the work. These schemes faced a delay of over 6 months in their timelines.
- There were 13 schemes that had more than 50% civil works completed and were awaiting release of third instalments which faced the same delay. Had the funds been made available the schemes would have been completed in time.
- Training of 195 participants could not commence due to lack of funds (this does not include the halt of trainings due to government's instructions to close all educational and training institutions nationwide).

The tranche became available for implementation on September 14th, 2020 enabling resumption of activities at an optimum pace. However, 67 schemes and a considerable number of potential livelihood trainees faced an average of 6-8 months of delays in their progress, which has substantially affected the work plan for the year 2020; and,

- c) Security Conditions during the implementation period: There was frequent disruption due to security conditions in the target districts. The table below calculates loss of working days as a result of only security conditions in the target districts. In the year 2018, the project had only 6 months of implementation. The table shows the following:
- In the Year 2019, the project had 244 working days. 19 working days were lost during the NOC renewal process. As per the SOPs of the government for the MDs the NOCs have to be renewed every 6 months. Out of the remaining working days, the project lost 43% of the working days in NW; 26% of the working days in SW; and 11% each in Kurram and Orakzai due to security conditions.
 - Likewise, in 2020 (January to March and September to November) there were 113 working days. Out of these, the project lost 25% working days in SW; 18% in NW; 10% in Kurram; 9% in Orakzai; and 7% in Khyber.

⁶ Minutes of meeting between EU, SRSP and AiD dated 13th September 2019

District	2019		Percentage of days not utilized 2019	In terms of months not utilized 2019	2020		Percentage of days not utilized 2020	In terms of months not utilized 2020
	# of working days*	# of days missed			# of working days*	# of days missed		
Kurram	244	26	11%	1 month	Total of 86 days (Jan-Feb-34 days+ Sep 14 th to Nov 30 th (51 days))	11	12.9%	Half a month
NW		105	43%	4 months		20	23.5%	More than half a month
Orakzai		26	11%	1 month		10	11.7%	Less than a month
SW		64	26%	2 months		28	32.9%	1 month
Khyber		-	-	-		08	9%	Less than a month
All districts		19	8%	More than half a month				

*Definition of Working Days in 2019- 22 working days per month X 12 months= 264. Out of these, 20 days have been subtracted on account of various Public Holidays during the day. Hence, there were 244 working days available for implementation in the Year 2019.

** Definition of Working Days in 2020- So far, the project has had 11 months in the year 2020. Out of this, the project did not have funds for 07 months, that is, from Feb 13th to Sep 14th, 2020. Since the table presents loss of working days due to security conditions hence, these 07 months have not been accounted for in the table. The calculation of working days therefore, considers 22 working days between Jan-Feb 13th + 22 working days between Sep 14th- Nov 30th. This comes out to be 85 days. Public Holidays have been subtracted.

By way of example to illustrate how security factors affect implementation in other ways, on October 21, 2020 (at the time of the inception conference call for the Mid-Term review), two of SRSP's field engineers employed under AUP went missing after a field visit to an infrastructure site in South Waziristan. While both the families of the abducted staff and SRSP await the safe return of their people, SRSP has closed down its operations in the district. Obviously this traumatic event has a psychological impact on the teams as well. SRSP had initially closed down its operations across the Merged Districts. Work has resumed but SRSP is maintaining very low profile and low visibility in 5 districts. Earlier in October, a Nutrition Assistant (female) had been murdered in North Waziristan. A bomb blast took place in one of the seminaries in Peshawar in early November 2020.

Since Inception on July 1st 2018 till date the cumulative total of time when implementation has been possible is as below:

Year 2018 (July to December): 6 working months

Year 2019 (January to December): 12 working month

Year 2020 (January to November): 11 working months - The loss of 7 months due to delayed tranche release is a constant for all districts. This brings down the timeline to 4 months in 2020. During these 4 months the project faced loss of working days (approx. 1.5 months) due to security conditions.

Cumulatively, total implementation time amounts to 29 months (July 2018 to Nov 2020), out of which no work could take place for the above mentioned reasons for approximately 12 months (7 months of tranche delay + 5 months due to security conditions).

The MTR mission observes that certain corrective measures were being taken in August 2020 as KfW, SRSP and AiD revisited the workplan for the year 2020 and 2021 and revised the targets. When the funds became available in September, the project resumed activities. This plan clearly identifies what it can achieve until December 2021 and the leftover targets beyond the timeline. However, the incident on October 21st, 2020 when two of the project staff went missing in South Waziristan, SRSP had to put on halt operations across the project districts. While SRSP has resumed operations on a very low scale in four districts, they remain completely closed in South Waziristan Agency till date.

3.5 Are the outputs being produced/delivered in a cost-efficient manner?

3.5.1 Cost-efficiency in the GIZ component

A financial report up to October 2020 has been produced. The total cost of all reporting periods amounts to 1,339,197 € out of a budget of 6,000,000 €, leaving an unspent balance of 4,660,803 €. Since The implementation period of the Agreement commenced on January 1st, 2017, for a duration of 60 months, the end of implementation is December 31st, 2021. This means that 22,32% of the budget has been executed at a time when 80% of the implementation time frame has lapsed. The reasons are well justified, as described in the reporting section on delays, with the absence of access to the target districts due to a lack of NOC and the COVID-19 crisis as most critical elements.

The breakdown of expenditure is as follows:

1. Experts: 808,305 € spent out of 2,468,349 €
 2. Travel expenses: 50,748 € spent out of 304,410 €
 3. Procurement of materials and equipment including construction: 40,266 € spent out of 159,754 €
 4. Financing: 218,182 € spent out of 1,754,000 €
 5. N/A
 6. Other direct costs: 70,549 € spent out of 685,740 €
- Overheads: 151,154 € spent out of 613,293 €

GIZ have already discussed a possible no-cost extension internally and do need to discuss this with the German Ministry BMZ as well. In this Ministry, decisions regarding funds for 2022 will only be taken well into 2021. Without a prolongation of the BMZ funding part, a no-cost extension of the EU part will not help GI, as most of the salaries and infrastructure are paid for by BMZ. Thus without an extension of the BMZ part, the project implementation will have to come to an end on December 31st, 2021. BMZ will not be able to make that decision before Spring or even early Summer when new budgets are negotiated.

SRSP/KfW are likely to request a no cost extension. This evaluation report makes a recommendation on that issue. For that, an amendment to the Financing Agreement will be required. That follows certain procedures. If the EUD agrees with a no cost extension for KfW/SRSP, that process will be set in motion (at the request of the KP provincial government). GIZ can then still tag on to that if BMZ decides to go for a no cost extension.

GIZ and the EUD will have detailed discussions on the way forward, as at the time of the evaluation no informed recommendation can be made given the BMZ procedures. Apart from an extension in time, there is scope for additional activities: elections (capacity building of district officials, awareness raising of the population about elections, radio spots, other comms) and on COVID-19. On the latter issue, proposals had been discussed at EUD level in the field of COVID-19 activities, which is the priority for the KP government for the next two years to come.

3.5.2 Cost-efficiency in the KfW component

- (1) AUP's Component 2 carries a budget of EUR 17 million. Up to date financial figures till the end of Nov 30th, 2020 were available to the MTR mission. The status is shown in the table below wherein out of EUR 17 million, EUR 1.19 million is KfW's remuneration; EUR 0.85 million is for the Monitoring Consultant; and the remaining EUR 14.96 million is for the programme. The discussion below on cost-efficiency looks at the SRSP's component of EUR 14.96 million.
- (2) Out of 14.96 million, the Investments cost is EUR 10,710,000 (that is, 71.5%), the Implementation cost is EUR 3,740,000 (that is, 25%), Visibility cost is EUR 170,000 (that is, 1.1%), and Capacity Development cost is EUR 340,000 (that is 2.2%). As of date, the project has received 6 tranches amounting to EUR 4,807,081, and till date expenditure is EUR 4,647,281 that is, 96.7% of the funds received or 31% of the overall budget. Project progress against the backdrop of the context is reasonable. AUP was envisaged for 60 months. It is already 47 months old and out of this project has had only 17 active months of implementation. Hence, in 36% of the available time, the project has achieved 31% of the financial expenditure. It is important to highlight here that out of expenditure against the overall budget, 31% has been investment expenses and 40% have been implementation expenses. This is because the project operations were active during the time the tranche was unavailable.

S #	Budget Line Items	Total Project Budget	Total Expenditure Up to 30-Nov-2020	Percent age of Expenditure	Remaini ng Budget
1	Investments	10,710,000	3,061,783	31%	7,648,217
1.1.1	Reconstruction and Rehabilitation of social and physical community infrastructure (CPI)	7,650,000	2,404,711	31%	5,245,289
1.1.2	Skills Development and Livelihood Support	2,210,000	463,389	21%	1,746,611
1.1.3	Management/Institutional development training for communities	850,000	193,683	23%	656,317
1.2	Implementation Cost	3,910,000	1,554,154	40%	2,355,846
1.2.1	Visibility Cost	170,000	5,851	3%	164,149
1.2.2	Implementation Cost of SRSP and Social Mobilisation Cost	3,740,000	1,548,303	41%	2,191,697
3	Capacity Development of PEA	340,000	31,344	9%	308,656
3.1.0	Capacity Development of PEA	340,000	31,344	9%	308,656
	Total of 1.1+1.2+3	14,960,00	4,647,281	31%	12,352,7

		0			19
2	Consulting	850,000	-		
2 . 1 0	Intl' Tech & Monitoring Consultant, incl. National Experts	850,000	-		
4	Remuneration of KfW	1,190,000	-		
4 . 1 0	Remuneration of KfW	1,190,000	-		
	TOTAL	17,000,000	4,647,281	27%	12,352,719

- (3) Under Result 1 (Community Mobilization), the project has expensed 23% of the funds; Under Result 2 (Community Infrastructure Schemes), the project has expensed 31% of the funds. Another EUR 1.1 million is committed for the in-progress schemes. Under Result 3 (Livelihoods), the project has consumed 21%. With an increase in the level of programme delivery, the visibility cost expenses will also increase. However, KfW and SRSP need to consider early utilisation of the budget line Capacity Development so that the project can benefit from the enhanced capacities of the Implementing Partner.
- (4) The AUP CPIs bring-in considerable cost efficiencies as these are essentially community schemes wherein the contractors' profit of about 22% and 5% overheads are saved. The overall costs of community schemes are further reduced when costs incurred through transportation, labour and storage of materials purchased centrally and transported to the site by contractors are not factored. Out of 162 schemes initiated within AUP, community CPIs are 158 and contractor schemes are 4.
- (5) The exchange rate at the start-up of AUP project was 1 € = PKR 114. It went up to 1 € = PKR 199 about three months ago and currently stands at 1 € = PKR 185. This has also created fiscal space within the project budget
- (6) A cumulative project implementation sheet showing progress against each result is prepared and updated monthly/quarterly/annually for management use as well as that of the Monitoring Consultant. This is a strong management tool and the transparency is enhanced by the inclusion of Budget Variance Report. Project progress against the backdrop of the context is on track.
- (7) Financial due diligence is ensured within AUP through annual audits. KPMG Taseer Hadi & Co and Deloitte Yousuf Adil are the auditors that audit AUP on behalf of SRSP and KfW respectively.

3.6 Is the action adequately monitored by implementing partners, partner government(s) and other key stakeholders?

3.6.1 Monitoring in the GIZ component

Robust monitoring structures are in place. The indicators are followed carefully and thoroughly, and have been reported on for the purposes of this evaluation in a methodological and detailed manner.

Obviously monitoring is constrained by the inability to go to the field. Since GIZ have no unrestricted access to the field, the monitoring system needs to rely on data from third-party monitoring systems. These are often inter-twined between beneficiary level and monitoring system. It is an inevitable result from the remote management. Data are at risk of being compromised, but in the given circumstances of restricted access, this is the best that can be obtained. For instance, in the framework of a financing agreement with the Centre for Management Sciences, data are reported by education department-related sources, and sent for verification (after checks and balances by GIZ, who do not have direct access to the field) to the Peshawar-based Department of Education. This is a significant source of potential bias. No independent verification of the veracity of data has been possible, since the expert in charge of the GIZ component evaluation did not receive the NOC required to travel to the target districts.

While each component is assessed in accordance with the relevant log frame indicators and activities, the project and country management regularly supervise and monitor the progress made towards achieving the projects expected results. The project staff in Peshawar is in daily contact with counterparts and is in a good position to qualitatively and quantitatively triangulate data. International staff in Islamabad is more constrained due to security restrictions related to internal GIZ security restrictions. They are permanently based in Islamabad and have less frequent access to Peshawar than their Peshawar colleagues.

A general baseline and a baseline focused on local governance have been conducted.

As reported elsewhere, a major management issue (which includes the monitoring function) is the non-disaggregated nature of the data. The project presents all results in one single framework, regardless of the origin of the funds. *In as far as the EU/BMZ funds are concerned, this is in line with the Delegation Agreement with the EU. The action is a multi-donor action and the EU contribution is not earmarked. However, also UNDP data are provided in the reporting.* This makes it impossible to specifically monitor which donor has contributed to what extent to which results. For the purposes of this evaluation, we do not take into consideration the work of implementing partners that have contracts with GIZ that are not governed by this contract, such as UNDP - they do not fall under the Financing Agreements and Grants line in the budget of the contract and are therefore not part of this review.

The day-to-day technical and financial monitoring of the implementation of this action is a continuous process and part of the implementing partner's responsibilities. At least once a year a review meeting of all relevant stakeholders is organized to assess progress of the project outcomes. The meetings provide guidance and follow-up on the technical assistance provided.

UNDP conducts trainings through the Local Governance School. While this is technically not the realm of the evaluation, the same principles apply as for other result areas. GIZ will receive the training reports of all trainings once these are completed. In the first quarter of 2021, GIZ are planning to conduct an

assessment/survey of selective officials trained under the UNDP project to gauge effectiveness of these training and knowledge transfer and its application at the work place environment. This is important, since the director of the Local Governance school has highlighted during a working session with the evaluation team that quality assessment is so far mainly limited to satisfaction surveys.

In the governance and dialogue component, a great opportunity exists to properly measure, at the end of the project, what will have been achieved. A high quality baseline on local governance has been conducted. It is recommended to use this baseline and prepare well in advance a thorough study that looks at the evolution of local governance compared to the baseline.

GIZ-FDP has set up an online monitoring system that is available for continuous review by the project and country management, as a basis for monitoring of progress against indicators, corrective measures as required as well as reporting. This is in essence an internal management tool, accessible for project staff.

In the education component, a data management portal has been designed for visualisation of data that are fed into the database from a variety of sources (please refer to the effectiveness section for a detailed analysis of that tool).

3.6.2 Monitoring in the KfW/SRSP component

The AuP is monitored at three levels: internal monitoring mechanism within SRSP, external monitoring by AiD and EU/KfW, and government.

Internal Monitoring Mechanism within SRSP

The internal monitoring mechanism of SRSP exists at different levels:

- Monitoring visits at the District Level: the project has hired monitoring and documentation officers at the field level. They conduct regular field visits and report to the management at the district level, the Project Support Unit (PSU), and the head office.
- Monitoring visits at the PSU level: there is a team of monitoring and evaluation officers at the PSU level, comprising of both men and women staff. Based on the workplans shared by the districts, the PSU M&Es define their work plan and conduct visits to various project activities. Their reports are shared with the head office, PSU and the district management for learning and course correction.
- Monitoring visits at the head office level: the head office conducts monitoring visits to the project sites. For instance, it is mandatory for the engineering section to conduct a final visit to the scheme before its last instalment is released. The gender section conducts visits to the WCOs/women livelihood trainees.

At each level, the number of monitoring visits has been defined and reporting lines are made clear. At the on-set of the project, SRSP had developed a monitoring strategy.

SRSP undertakes village profiles that provide baseline data. A cumulative implementation sheet against each result has been prepared and is updated monthly for management use. The project also maintains result-specific data sheets. This is a strong management tool and the transparency is enhanced by the inclusion of a budget monitoring report. Along with process monitoring, the PSU with technical guidance from the head office also undertakes brief assessments, e.g., a follow-up of livelihood trainees after 6 months of the training and assessment of completed schemes.

External Monitoring by AiD:

In the beginning of each month, AiD shares a workplan of monitoring visits with SRSP. Based on this workplan, the AiD monitors undertake field visits. During these visits they monitor CBOs, CPIs and meet livelihood trainees. The engineer monitors provide feedback to SRSP engineers in the shape of a one-

page bulleted de-briefing note. The note is signed by both SRSP and AiD engineers. AiD shares both monthly and quarterly monitoring reports. These reports have details on the number of AiD visits and briefs on the findings. AiD and SRSP have a quarterly coordination meeting during which there is consultation on the workplan for the upcoming quarter. AiD presents findings of its visits and SRSP provides its feedback.

The following observations pertain to AiD's external monitoring:

- (1) AiD's Social Mobilization Monitors do not leave de-briefing notes for their counterparts in SRSP as is the custom on the engineering side.
- (2) The monitoring strategy only includes new CBOs i.e. it visits a CBO once in its lifetime. This leaves a major void as AiD does not have a follow-up mechanism to visit CBOs over a certain timeline and as such follow-up on their recommendations and progress. It often happens that AiD would visit a CBO wherein no training happened and as per its monitoring mechanism, it would not have an opportunity to revisit it and ascertain the impact of the training.
- (3) Monitoring of the female component of the programme is very weak. AiD does not have a permanent female monitoring staff. Since the time AiD has been active in the field, they have conducted only six field visits to monitor women activities. During these six visits, they met members of 8 women community organisations. Moreover, AiD have not shared the reports of these visits to female CBOs with SRSP; the visits were merely mentioned in their quarterly monitoring reports to KfW and SRSP. Since AiD submits the quarterly monitoring reports on the 15th of every fourth month, therefore in the absence of proper debriefing notes, critical feedback is not shared and hence an opportunity for timely and effective redressal/corrective action is not availed.
- (4) AiD social mobilisation units are not based in the target districts. This reduces frequency and efficiency of monitoring and technical backstopping. The AiD engineers do not operate from within the target districts but instead travel from Islamabad (the AiD head office) to visit the sites which creates access issues and inefficiencies in logistics management.
- (5) AiD has developed some basic manuals for the design guidance of CPI schemes. These include DWSS, street pavement, irrigation channel and drainage works. The manuals highlight the basic parameters but some of the manuals need to be revised, e.g., irrigation channel and drainage works; topographic map.
- (6) As per AiD contract the engineer should make 3 visits/scheme. The presence of an engineer is important at the time of layout of scheme, foundations, pouring of concrete, fixing/placing steel and RCC structures, etc. However, the visits are not appropriately planned when they are required for the inspection of materials and layout of the schemes.
- (7) During site visits the AiD engineer should explain the weaknesses of construction, poor workmanship, quality of materials and basic engineering techniques and knowledge of performing basic tests on site.
- (8) The CPI monitoring reports of AiD engineers are technically weak for civil works and solarization of pumps. The report format needs to be revised, observations and recommendations need to be incorporated and discussed with the CO and implementing partner on the spot for their awareness and knowledge.
- (9) AiD engineers have no practical experience in monitoring civil works nor the requisite field aptitude. In solarized drinking water schemes, the engineers are not familiar with electrical system of pumps, solar plates, inverters and importance of ground earth. Moreover, the AiD engineers do not have full command in review of design, vision to understand the ground situation and in-depth experience of execution and monitoring of projects.
- (10) AiD engineers at the field level are less experienced than SRSP engineers. This affects the on-site technical backstopping and guidance of SRSP engineering staff by AiD. SRSP field engineers are experienced, have knowledge of schemes and developed good contacts with community and local administration. They are visiting the projects on a regular basis. In some of the schemes design faults and poor quality of workmanship has been observed, which is considered engineering negligence.

(12) None of the line agencies (On Farm Water Management, Public Health Engineering and Communications & Works) staff has visited the CPI sites. Their technical advice could have improved the quality of design and workmanship of the CPI schemes.

Monitoring by KfW/EUD:

Although AiD monitors the project on behalf of KfW, KfW also undertakes annual review missions to Pakistan. This year due to COVID-19, the mission was conducted digitally. SRSP reports quarterly to KfW and so does AiD. If there are pressing issues identified by AiD in their quarterly monitoring report, KfW organises a digital meeting to discuss. KfW has tried twice to avail NOC for field visits but the plan could not materialise.

Role of District Governments:

The coordination with the District Government is a rigorous process. It begins with area identification and on completion of interventions, the district government provides an endorsement letter to SRSP. This endorsement letter is provided after the government has conducted a physical verification of the completed schemes. In addition, the project organises symbolic events and requests participation of the government, for instance, youth engagement activities, need-based social mobilization events, and the scheme inaugural ceremonies. During the scheme inauguration, the cheques are delivered to the CBOs in the presence of the district government.

4 EFFECTIVENESS

4.1 What achievements have been made to date ?

4.1.1 Achievements in the GIZ component

Governance and dialogue

1.1.1. Status of assessment of current constraints in planning and budgeting processes for the Merged Areas (MA), in particular amongst IDPs and IDP hosting communities: constraints in planning and budgeting processes have been assessed (2018-2019) in the Local Governance baseline Study. This activity is completed.

1.1.2. Number of Merged Districts which hold public dialogue events between local officials and the public to discuss their service provision and local development priorities prior to preparation of Annual Development Programmes (ADPs): 12 State Society Dialogue events have been held with 312 officials including 12 females and citizens in the six districts of the Merged Areas. It is to be noted that this was done under a UNDP Financing Agreement that is not funded by the EU Financing Agreement. The Action is a Multi-Donor action, and the EU contribution is not earmarked. The UNDP contract is not part of the budget line "Financing agreements, grants". Either way, the target was 4 and 12 events have been held. In addition to the UNDP activities, implementing partner IMS, Institute for Management Sciences, has been contracted after the concept has been agreed with them.

1.1.3 Number of Tehsils of the MA which have piloted participatory development planning, which in particular addresses the needs of returned internally displaced persons: the concept was agreed with the partner and implementing partner Institute for Management Sciences contracted. The target is 25; so far, the current value is nil. Reasons include mostly the lack of access to the target areas (NOC), but also a less than optimal initial political buy-in. This is now reported to have shifted to GIZ feeling that they have full backing for this activity. COVID-19 was partly an obstacle as well.

1.1.4 Number of staff of devolved social sectors trained in improved planning approaches disaggregated by sex and location: with a target of 100, currently 70 staff of devolved social sectors from Bajaur, Kurram and Orakzai districts were trained on Local Government Act 2013 and LG (Amendment) Act 2019, planning, budgeting, prioritization of projects, citizens consultations on planning and budgeting, procurement, KP Procurement Regulatory Authority Rules, KP Right to Services Act 2013, and the Accelerated Implementation Program.

1.1.5 Number of draft proposals for legislative and regulatory framework, institutional strengthening and capacity building developed: with a target of 9, the current value stands at 10. These are detailed as follows:

1. Local Government (Amendment) Act 2019 - committee meetings; also reflected in dashboard; review process. Notified.
2. Capacity Development Plan for local government officials and elected representatives of Merged Areas. Notified.
3. KP Urban Areas Development Authorities Act 2020. Notified.
4. Draft Planning, Development, Budget and Accounts Rules (2020)
5. Draft LG Monitoring and Supervision Rules (2020)
6. Draft By Law "Prevention of Encroachment" for Tehsil Councils (2020)
7. Assessment of Local Government (Amendment) Act 2019.
8. Draft report on Assessment of the potential of Revenue Generation in all 25 Tehsil Municipal Administrations in the Merged Areas

9. Training module on focusing on inclusive planning, budgeting, prioritization of projects and LG Amendment Act 2019 developed
10. Gender Mainstreaming Strategy for the Merged Areas (2020) for the Social Welfare Department formulated - with Ministry for approval

1.1.6. Status of mechanism for coordination between community component (SRSP) and governance component (FDP): coordination mechanism is in place and operational (monthly coordination meetings at technical level, annual review meetings).

Additional activities have been developed to address COVID-19:

1. Public awareness of COVID-19 through radio live shows in merged areas is increased: scheduled for June-September 2020, this indicator is related to support in awareness raising of citizens on COVID-19 through radio live shows, Public Service Messages (PSM) to be broadcasted from radio stations, key messages of health experts and guest speakers, video messages on website and Facebook page of the Local Government Department. The Pakistani partner is KP Local Government Department. The implementing partner is being contracted.

2. Public awareness on COVID-19 is increased in Merged Areas: scheduled for July-October 2020, this indicator is related to support in dissemination of Public Service Messages for COVID19 through telecom (SMS and Interactive Voice Recording) in the Merged Areas. The Pakistani partner is KP Local Government Department. The implementing partner has been selected.

Health

1.2.1. Number of District Health Information System (DHIS) Merged Areas staff at directorate and district level trained on accurate, complete and timely reporting as per DHIS Quality Manual: target 30, current value nil. The under-achievement is fully excused. Implementation was delayed due to the COVID-19 pandemic. The process for implementation was started. However, the pandemic health emergency was declared and the Khyber Pakhtunkhwa Epidemic Control and Emergency Relief Act, 2020, was invoked in the province. COVID-19 control was the focus of partners and the health staff was the frontline defence against the pandemic. In those circumstances the health staff and the health managers could not leave their duty stations to participate in any other activity due to the workload pressure of COVID-19 patients in the province. All the training institutes were also closed to control the COVID-19 pandemic. Trainings are now planned for after February 2021, although the recent spike in COVID-19 cases may negatively impact again.

1.2.2 Number of Merged Areas health managers trained under Continuous Education Programme (CEP) at health facility, district and directorate level disaggregated by sex. Target is 300, current value is 305 health staff with management responsibilities (including 43 women) trained on District Health Planning, Management and Budgeting, Supply Chain Management, Leadership for Change Management and Primary Health Care Facility Management. Although there was a delay due to COVID-19 pandemic, as the situation improved, implementation resumed with adherence to the COVID-19 SOPs and the target has been achieved in November 2020. Started in November 2019, and resumed in October 2020. The training ended 13 November 2020.

1.2.3. Number of District Health Officers and Planning Officers trained on development of PC-1 (development schemes) and inclusion of community needs in Annual Development Programmes (ADPs): target is 20, current value is nil. Same comments apply as for indicator 1.2.1 (above).

1.2.4. Number of consultative high-level workshops held to review the KP Health Sector Strategic Plan in context of merged areas: target is 2 high-level workshops, current value is nil. First workshop was planned for December 2020 but has been delayed again till after February 2021 due to the second wave of the pandemic. Same comments apply as for indicators 1.2.1 and 1.2.3 (above).

Education

1.3.1. Level of integration between Education Sector Management Information Systems (EMIS) in Merged Areas and KP: target is " One integrated EMIS is in use". The integration process is on-going. In essence the objective can also be phrased as "one combined annual school census report", as source of verification. An online dashboard was developed which largely serves the purpose of annual school census report. The dashboard is not a parallel structure or system. It is an online visualization of EMIS data collected by the E&SED. As the effort matures, it is expected to solve the problem of lack of access to EMIS data for planning staff. It will facilitate the department and its district formations in identifying and addressing needs as it matures. The Education component is working with the lead partner E&SED KP for a) finalization and approval for use by E&SED planning and district based staff; b) hosting of the dashboard on E&SED IT server; c) planning for possible capacity development of staff on how to update EMIS data on the dashboard and its use (likely to be covered under 1.3.3). With the dynamic situation and the confusion between IMU/EMA and EMIS on their roles, the component is working with E&SED , and individually with both IMU/EMA and EMIS at the E&SED in carrying-out the first census in NMAs, data analysis to support decision making.

1.3.2. Number of district level education plans developed using Independent Monitoring Unit (IMU) data: the target is 7, but 13 have been developed. These are under final review before approval by DCs and DEOs at the district level.

The work with DEPs and assistance also meant:

- Support in preparation of PC1 for conditional grants worth PKR 3.87 billion under Accelerated Implementation Plans (2019-20).
- Support in preparation of PC1s in several areas worth PKR 2,500 million (ECE classrooms, financial support to grade 9-10 students, additional classrooms, upgradation and reconstruction of schools, free textbooks, World Bank supported Human capital investment and others) (2020-21).
- Supported consultations and preparation of PKR 234 billion budget plans for the ten-year Tribal Decade Strategy.
- Supported Delivery Unit to assist district education offices in tracking progress on development funds and physical progress under AIP/ADP (PKR 2.892 billion funds released from the province to districts and schools)
- First tranche of Rs. 450 million transferred to Schools' PTCs under AIP 2020-21 (for construction/upraising of Boundary Wall and purchase of Science equipment for High/Secondary Schools.)
- Support to improved physical and financial progress tracking and reporting
- Merged Areas Delivery Unit supported per request from E&SED
- Developed Dashboard that is still expected to support implementation and monitoring of AIP for all levels of management.
- 4,659 (1,795 girls) PTCs assisted with organization and opening bank accounts for funds transfer for school improvement through School Improvement Plans (SIPs). (also linked to 1.3.3)

1.3.3 Number of (a) Education management and sector personnel of the administration for MA trained on management, planning techniques, monitoring, assessments and management information systems: target is 675, current value is 408 (with a baseline of 303).

1.3.3 Number of (b) Members of Parent Teacher Councils (PTCs) in MA disaggregated by sex, institution, district, tehsil, and school. Target was revised down from 7,000 to 4,405. Current value is 4287 (1581 women) PTCs trained.

1.3.4 Percentage of budgetary allocation of the Education Sector Merged Areas ADP aligned with needs identified in government's Education Plans: target is 85%, current value is 82%. Note that this is in substance an outcome indicator.

Additional activities have been developed to address COVID-19, all initially scheduled for June-August/September but delayed due to covid-related supply chain issues:

- provision of PCR testing kits and lab equipment: delayed until achievement expected for December 2020
- provision of Personal Protective Equipment (PPE) for frontline clinical health staff: delayed until achievement expected for December 2020
- support to E&SED in preparation and implementation of COVID-19 response strategy, including Worksheets to be printed for grades 1,2,3 to be distributed among 30,000 students in the NMDs for studies at home during the COVID-19 pandemic: delayed until achievement expected for December 2020

4.1.2 Achievements in the KfW/SRSP component

Before analysing the log frame, it is pertinent to understand the background of the setting of targets. SRSP is of the view that targets were initially on the high side (e.g. the number of CPIs was targeted at 600 at design stage). Instead, the targets were to be determined as per the need on ground and were eventually rationalised during the Inception Phase.

a. Target Setting as per the Separate Agreement between SRSP and KfW (Annex-1) dated 24-7-17

The Separate Agreement between KfW and SRSP mentions on Pages 3/4 that under Result 1 (community mobilization) the project is expected to reach 120,000 persons (approximately 15,000 households) through community mobilization. Up to 600 CBOs/community networks on higher tiers/interest groups have to be created. Under Result 2 (CPIs), the document mentions that AUP will establish/upgrade community infrastructure and productive assets. It identifies a few types of schemes in the indicators such as access to drinking water schemes, irrigation systems, link roads, electrification utilising renewable energies, and any additional type identified jointly with the beneficiaries. Under Result 3, the document mentions that AUP will identify sector areas for vocational skills and provide training to vulnerable communities.

In article 2.8 of Clause 2 (Other Provisions) of the Agreement on Page 13/14, a similar understanding is stated: '*Project objectives and indicators remain fairly vague at this point in time. A closer definition and quantification of targets will be developed at inception of the project.*'

Thus, the Separate Agreement only mentions the overall beneficiary beneficiary (that is 120,000 persons) that the AUP is expected to reach and does not cap targets under Result 2 and 3. The Separate Agreement draws its understanding on target setting from the Description of the Action- the proposal agreed upon the EU and KfW.

b. Target Setting as per the Description of the Action between the EU and KfW (Annex-2)

The description on Pages 3/4 of the Separate Agreement presents an excerpt of Pages 10/11 of the Description of the Action. This means that the DoA also does not cap targets for the results.

The Log frame on Page 26, which is part of the Description of the Action, mentions that *the actual numbers will be defined as per community needs and demands*. It therefore tentatively suggests that the AUP will organise UP TO 600 CBOs with approximately 15,000 households; establish UP TO 600 CPIs benefitting 120,000 people; and train 3,200 men and women trainees. The suggested targets were defined using the then prevalent average costs.

c. Target Setting at the Inception of AUP

The project went on ground in July 2018, that is almost more than two years from the time the targets had been tentatively suggested by the project document. As per Article 2.8 of the Separate Agreement, KfW during its October 2018 Review Mission to Pakistan suggested that the project defines targets for each result. The targets were hence suggested in the Annual Report 2018 by SRSP to KfW. The same were suggested in the log frame of the project which was then reviewed by the EU Experts and the final approval for this came through in January 2020. (Annex-3)

The basis for the target definition was the change in average costs that had occurred both as a result of inflation and improvement in schemes designs. Hence, the impression that the targets were reduced is not correct. In fact, the targets were envisaged to be defined once the project goes on the ground.

Moreover, SRSP contends and there seems to be logic in the argument that the fact that even if the actually envisaged time period of 60 months was available to the project the achievement of the tentatively suggested targets (i.e., 600 CPIs) would still not be possible within the allocated budget line of EUR 7.65 million due to the change in average costs. This would only be possible if the project begins to focus on really smaller schemes with low impact, low visibility and limited contribution to the objectives of the project.

1) Analysis of the Progress as per the Log frame

a) Progress Analysis Against Result 1 (Community Mobilization)

Under Result 1, the log frame has 13 indicators. The progress analysis shows that the progress against 11 indicators is good and on-track. However, the progress against two indicators is unsatisfactory and requires attention for expediting progress.

Indicators Where Progress Is Satisfactory/ On-Track

- 1.1 (Up to 8,500 Households reached through community mobilization): AUP has to reach 8,500 households or 68,000 persons through community mobilization. So far, the project has been able to reach 7,366 households (58,928 persons). The progress is good and on track and will be able to close the gap.
- 1.2 (Up to 340 Community Institutions formed): So far, the project has organised 305 CBOs (including 49 women CBOs). The progress is good and on track.
- 1.3 (Up to 120 CBOs federated into Community Networks): The project has so far federated 39 CBOs into 3 Community Networks. The progress is good and on track against this indicator.
- 1.4 (100% of CBOs have received management skills training- CMST/LMST): 78% of the formed CBOs (including 13% women) have received Community Management Skills (CMS) Training. 62% of the formed CBOs (including 4.5% women) have received CMS training. The progress is good and on track.
- 1.5 (5% of the total CBOs are female CBOs): Against 5% of the total 340 CBOs/Interest Groups, 16% of these are women CBOs. The progress is below target. However, in the recent past the area has opened up and a trust level has improved. It is advisable that the project revisits this target and aligns the target setting.
- 1.6 (Up to 1,250 women have received basic health and hygiene training): AUP envisages a special activity for women's participation through health and hygiene sessions. So far, AUP has been able to train 1,020 women out of 1,250 women. The progress is good and on track.
- 1.7 (Up to 1,020 CO members have participated in exposure visits): The project has facilitated 567 CBO members including 42 women during exposure visits. The progress is on track.
- 1.10 (Up to 5,000 youth have participated in recreational activities organised under AUP): The project has been able to surpass the target and engage 6,252 youth including 327 women.
- 1.11 (100% community institutions actively involved in planning and prioritisation of community needs): So far engaged 80.5% of the CBOs in local planning and prioritization of community needs.

Indicators With Severe Backlog:

- 1.8 (Up to 270 government officials have participated in exposure visits): Against a target of 270 government officials who participate in exposure visits, the project has facilitated 16 officials including 5 women. The project needs attention here for expediting the progress.
- 1.9 (Up to 100 events organised for CBOs and government representatives): Against a target of 100 events, the project has organised 19 Manager Conferences. The MTR observes that this is a critical activity which results into linkage development/enhancement between the citizens through their representative CBOs and the State. A paced-up delivery of the intervention will enable the CBOs to develop these linkages at an early stage and mature them through their life (security and COVID allowing, of course).

b) Progress Analysis Against Result 2 (CPIs)

Indicator Where Progress is Satisfactory/ On-Track:

- 2.1. (Percentage of completed community infrastructures which are functional – Target is 100% and achievement is also 100% as all completed schemes are functional).

Under Result 2, the project has 5 indicators. The project defines a target of 100% for indicator 2.1 (Percentage of completed community infrastructures which are functional). For the remaining 4 indicators, the log frame remains flexible in alignment with the Description of the Action. Since the infrastructure work is undertaken as per community need and prioritization, no caps are set per infrastructure types. This provides the flexibility to remain relevant and community-based. AUP has so far initiated 162 infrastructure schemes and 59 of these have been completed.

Indicators Without Targets:

- 2.2 (Percentage of population in target villages with increased access to clean water)
- 2.3: (Percentage of population in target villages who report increased access to improved drainage system)
- 2.4: (Number of farmers in target villages with improved access to irrigation water)
- 2.5: (Number of renewable energy projects set up/upgraded)

c) Progress Analysis Against Result 3 (Livelihoods)

Under result 3, the log frame has 5 targets. The progress is as below:

Indicators With Severe Backlog:

- 3.1 (Up to 3,400 community members from vulnerable households have received skills development training): The project has trained 1,216 community members including 520 women.
- 3.2 (Up to 80% trainees are followed up and 50% provided advance training): The project has followed up 24% of the trained men and women. The follow-ups are carried out by SRSP after 3 to 6 months of the training. A second follow-up is also envisaged after six months of the first follow-up. It is important to highlight here that the project does not necessarily provide advance training to only those identified during the follow-up. In fact, the project offers advance training courses to community members who may not necessarily have undergone basic training courses but have semi-skills and need improvement through an advance skills training course.

Indicator Where Progress is Satisfactory/ On-Track:

- 3.3 (100% trained community members receive toolkits/inputs): 79.8% trained community members including 53.3% women have received toolkits.
- 3.4 (100% training participants selected as per the pre-developed and approved selection criterion): this is 100% as the project follows the criterion for trainee selection.

- 3.5 (100% training events where trainers meet required criteria): 100% fulfilment of this indicator.

Other Indicators Where Targets Not Defined:

- Indicators relating to Overall objective / Long-term Impact:
 - Number of TDPs benefiting from sustainable incomes
 - Number of TDPs enjoying improved social conditions
 - Percentage of increase in income of trained community members
 - Percentage of trained community members who perceive that they are getting sustainable income generation opportunities after receiving training
- Indicators relating to Outcome
 - No. 3: Number of people in target villages who report decreased travel time to services/markets.

4.2 What opportunities and challenges exist and how are challenges addressed?

4.2.1 Opportunities and challenges in the GIZ component

Numerous obstacles can challenge (and have challenged) smooth implementation in the target districts.

The post-merger context in which the action operates is highly volatile, including uncertainties regarding the timelines and sequence of reforms, implementation modalities as well as continuous changes in the partner structure. The action nevertheless succeeded in making significant contributions through the achievements as documented in section 4.1.1.. This was possible thanks to the ongoing dialogue with government counterparts, ensuring that project activities are aligned and re-aligned with government priorities. Close co-ordination with other development partners was ensured to avoid duplication.

The overall security situation allows for the implementation of the activities, even if some have to be adapted or postponed due to punctual insecurity issues. The security situation of different ex-FATA areas varies. Some areas are considered calm whereas other areas are volatile. They continue to be high-risk, as evidenced by the fact that the international expert on the evaluation team was not granted NOC to visit the target districts, and by the immobilization of the team of Pakistani experts in North Waziristan, the abduction of two SRSP staff in South Waziristan, just weeks before the field phase. GIZ staff are considered vulnerable in terms of dealing with law enforcement agencies and government officials who are considered high-value targets. GIZ international staff are based in Islamabad because of restrictions on their movements to Peshawar.

Lack of access to the Merged Areas remains a challenge for the action. After significant delays in implementation due to the FATA reforms process and the merger, rejection of non-objection certificates (NOCs) delayed project implementation even further. Three NGOs which were selected as implementing partners in the result areas dialogue and health did not receive NOCs for their interventions. GIZ is working in the target districts including at tehsil and community levels. Risk mitigation measures here include pre-selection, technical and financial suitability check of implementing partners (consulting, public institutions, NGOs), including check of references and background to ensure competence and capacity before contract award.

Visas are increasingly difficult to obtain for international staff.

The population opposes any unfamiliar external advice and state services that are perceived as unreliable.

COVID has impacted in a major way during 2020, and has the potential to continue to impact negatively as the start of 2021 sees a surge in cases that suggests that access to government officials and districts is almost certain to remain limited. Internal GIZ health and safety regulations are justifiably strict and limit face to face meetings significantly, thus reducing effectiveness as internet-based connectivity is far from reliable.

The intended participation and self-determination of women in decision-making processes do not correspond with traditional values and may hamper the dialogue process. The section on gender in this report elaborates on this subject.

Frequent personnel changes at management level further affect the cooperation. At the time of the evaluation, the Islamabad office had a new finance manager, a new programme manager and an outgoing programme manager. Institutional memory at that level is consequently low, but off-set by the permanent staff in Peshaw.

4.2.2 Challenges and opportunities in the KfW/SRSP component

The opportunities are as follows:

- The policy environment at the moment is very welcoming for community-based interventions;
- The project is aligned with the government's objectives for building better systems in the region;
- SRSP experience of working with District Administration and line agencies has created an enabling environment for the AUP project to deliver on the ground;
- The project has engaged women communities and achieved more than 100 percent of its targets for women community organizations that has created the necessary platforms to reach out to more women within its programme (although the target was very low); and,
- The government is working on creation of economic zones in districts adjacent to target districts and these could serve as potential employment opportunities for youth trained by AUP

The challenges faced by the project and the resultant strategies to mitigate and overcome them are as follows:

- The Merged Districts suffer from trust deficits. SRSP therefore works closely with provincial government and district administrations which consider community-based organisations as a strong platform whereby they engage the local population in a state-citizen dialogue. It also considers community participation approach as very effective in implementing community infrastructure needs and addressing their livelihoods requirements which brings communities to the centre of planning their development and plays a vital role in removing trust deficits;
- The security challenge still haunts the project especially in the wake of abduction of two of its staff members in South Waziristan. SRSP continues to exercise its good will and maintains close coordination with the district government and other relevant authorities, carries out regular project reviews to track progress and realign the work plan as and when required;
- The peculiar nature of tribal conflicts within the changed context pose a challenge to the project. In the pre-merger tribal belt, a conflict between the tribes was contained through organising Tribal Jirgas. In the post-merger Merged Districts, the government is in the process of introducing the formal justice system. However, the tribes are not accustomed to this change as yet. The Jirgas have become ineffective. As a result, when a conflict occurs it takes longer than before to be settled. This impacts work progress.

- Direct cash assistance is another challenge as the government does not allow interventions that include direct cash assistance to individuals. This could provide fungibility of resources that could be used in activities against the state. The project makes reference-check of the individuals selected for various training courses after they have been nominated by their CBOs. The reference check is made in consultation with the relevant authorities. The project extends livelihood support in the shape of tool kits to the trainees; and,
- Moreover, the confusion that arises from the merger has its own dynamics for the project. The administrative structure underwent massive changes after the merger at the provincial level. The FATA Secretariat was dissolved and merged with the KP P&D Department. This has taken considerable effort and time to build up relationship with the new power structures and apprise them of the project. SRSP continues to share quarterly reports and hold regular meetings with the Foreign Aid Section of the KP P&D Department.

4.3 Are the outputs likely to lead to the expected outcomes ?

4.3.1 Outcome potential in the GIZ component

The outputs are so far not likely to lead to the expected outcomes, or can at the very least not be assessed to have that potential: the GIZ log frame does not contain any values for the overall objective. And at the specific objective level, the quality of the indicator is perception-based, without any objective measurement.

Independent of the technical impossibility to gauge the outcome potential, only 22% of expenditure has been incurred about one year before the end of implementation of a five year time line. While there is strong positive feedback on the quality of the technical assistance, it is premature to make an informed statement about the likelihood that the outputs will lead to the expected outcomes, even more so since the German Ministry BMZ will not make a decision on an extension until roughly half 2021. If there is no extension, the answer to this question can only be termed in the negative. While project management maintains its confidence that all activities will have been carried out by the end of 2020, the evaluation team does not share such expectation. A revised implementation plan has been submitted for analysis of its feasibility. The COVID-19 restrictions and significant resurgence, in combination with restricted access to the target areas are having a definite impact on delivery. This report makes recommendations on possible additional activities in the field of elections support and COVID-19 to enhance budget execution.

4.3.1 Outcome potential to the KfW/SRSP component

It is impossible to assess the outcome potential in the KfW/SRSP component because only three out nine indicators at overall and specific objective levels have a defined target.

Essential indicators at these two strategic levels that do not have any target values (about one year before the end of implementation) include:

- number of TDPs benefiting from sustainable incomes
- number of TDPs enjoying improved social conditions
- percentage of increase in income of trained community members
- percentage of trained community members who perceive that they are getting sustainable income generation opportunities after receiving training
- number of people in target villages who report decreased travel time to services/markets

4.4 Is the quality of outputs (including those of capacity development support) satisfactory? ?

4.4.1 Quality of outputs in the GIZ component

GIZ QUALITY OF OUTPUTS - GOVERNANCE AND DIALOGUE

Reaction from government stakeholders is very positive. Words of praise have been received from the Secretary Local Governance, the Chief Foreign Aid, the Chief Economist, the Local Governance School and others. The GIZ technical assistance is welcomed as being of high quality and value to the concerned counterparts. Highly experienced staff in the field, in all components, contributes to the TA.

A baseline study on local governance was conducted in 2018 ("Local Governance Baseline Study"), conducted by a team of consultants⁷ commissioned by the FATA Development Programme. This study is prefaced by the Secretary P&DD of the Government of Khyber Pakhtunkhwa⁸, in which explicit appreciation is voiced. Issues have been identified that can assist the preparation of the Annual Development Programme. The report covers various aspects of local governance structure such as planning mechanism in vogue, fiscal distribution of resources, importance of local government, the role of communities in ADP identification with a focus on women, availability of human resources. The report also highlights how things could be improved, especially with active involvement of communities. The study has been completed through an interactive process involving all stakeholders including the general public, both men and women; representatives of civil society; government officials from MA Secretariat and field formation.⁹

Draft proposals for legislative and regulatory framework, institutional strengthening and capacity building were developed. Three of them were notified (formal notification by KP Provincial Government), indicating satisfaction with its contents. It is understood that the attribution is not exclusively to the GIZ TA, as these proposals go through a lengthy formulation process with input from a variety of stakeholders. On the basis of the positive feedback from the local government and the fact that three proposals are now notified, the evaluation team concludes that the TA quality and the process that was followed can be considered satisfactory. The three notified proposals are: (1) Local Government (Amendment) Act 2019 <https://lgkp.gov.pk/wp-content/uploads/2019/06/The-KP-Local-Government-Amendmen-Act-2019.pdf>; (2) Capacity Development Plan For Functionaries and Elected Representatives of Local Governments in Merged Areas: <http://lgkp.gov.pk/wp-content/uploads/2019/11/Capacity-Development-Plan-for-Merged-Areas-UNDP-and-GIZ.pdf>.; (3) The Khyber Pakhtunkhwa Urban Areas Development Authorities Act 2020.

Indicator 1.1.4 Number of staff of devolved social sectors trained in improved planning approaches disaggregated by sex and location: with a target of 100, currently 70 staff of devolved social sectors from Bajaur, Kurram and Orakzai districts were trained on Local Government Act 2013 and LG (Amendment) Act 2019, planning, budgeting, prioritization of projects, citizens consultations on planning and budgeting, procurement, KP Procurement Regulatory Authority Rules, KP Right to Services Act 2013, and the Accelerated Implementation Program. In the first quarter of 2021, GIZ are planning to conduct an assessment/survey of selective officials trained under the UNDP project to gauge effectiveness of these training and knowledge transfer and its application at the work place environment. Technically this training does not fall under the EU contract.

⁷ Mr. Mohammad Fahheem and Mr. Mohammad Zahoor

⁸ Mr. Khalid Ilyas Khan

⁹ Foreword by the Secretary P&DD, Merged Areas in the Local Governance Baseline Study, 2018, p.4

Indicator 1.6 looks at an effective mechanism for coordination between the community component (SRSP) and the governance component (FDP). This coordination takes place in the shape of monthly and annual meetings. Interaction has been observed to be smooth. A meeting on potential synergies was organised by the evaluation team. The field reality is such that the initial design of one component working bottom-up (KfW/SRSP) and the other working top-bottom (GIZ TA) cannot make both meet halfway due to restricted access to the target districts. Information exchange does take place.

The Local Governance School (lgs.gkp.pk) was visited. Although strictly speaking not part of the project (the building was constructed with funds from a former GIZ project), the TA team does maintain good working relationships with the school's management. Issues identified include most importantly the assessment of the effectiveness of the training dispensed in the school. This is, needless to say, critical in any training or educational structure. While the knowledge level is checked at the start and trainings are interactive and the level can therefore be adjusted, there is not really an M&E system in the school. Surveys reflect mostly the satisfaction level of training participants.

GIZ QUALITY OF OUTPUTS - HEALTH

The only indicator on which the health component has so far delivered is indicator 1.2.2, labelled "number of Merged Areas health managers trained under Continuous Education Programme (CEP) at health facility, district and directorate level". 305 health staff with management responsibilities (including 43 women) have been trained on District Health Planning, Management and Budgeting, Supply Chain Management, Leadership for Change Management and Primary Health Care Facility Management. The needs are well understood on the basis of a training needs assessment. trainees are nominated by the health department, through the respective District Health Officers (DHOs). Pre- and post-training testing takes place, measured and reported. A report on quality is yet to be submitted by the Khyber Medical University, but this will only be done once the pre and post tests at GIZ level, done by Khyber Medical University, will have been analysed. The training ended half November, while the evaluation was taking place.

Government counterparts express satisfaction with the technical assistance.

GIZ QUALITY OF OUTPUTS - EDUCATION

The following are salient qualitative points in the education component:

Data pertaining to education were initially separate in FATA and KP. A merger operation has been carried out with robust technical assistance from GIZ. This support was hampered by friction about the custody of the data; this is now resolved, and the final dashboard shows integrated data. Notification is pending.

The collection of the above mentioned data was mandated to the Education Monitoring Authority (EMA). This was a census for both newly merged areas and districts of KP. GIZ trained 600+ data collectors in a one-day orientation session.

An independent monitoring unit was double checking on behalf of the KP Gvt (Education Monitoring Authority).

The District Education Plan (DEP) is an 'action plan' for the District Education Office, which aims to serve as a 'roadmap' paving the way to achieve annual milestones and targets while executing the budget in a timely manner. The core objective of the DEPs is to mobilize and develop the capacity of the District Education Office (DEO) in the aim to improve education indicators across the province. DEPs are an extension of the policy and strategic document i.e., the Education Sector Plan (ESP), which

informs development planning and budgeting at the district level and feeds into the partners' District Performance Score Card. GIZ provided technical assistance to the district education plans. The quality of these plans was discussed with the education department, and a sample for one of the districts was shared. Without access to the districts, the district representatives in the field of education came to Peshawar. Ownership may be an issue as all district education officers have been rotated, but this is remedied through enhanced awareness raising and capacity building. The district education plans are warmly received by the provincial education department. The process followed so far was (1) consultation with Directorate and ESED; (2) preparation of workshop material for district level consultation; (3) district Orientation, target setting and consultation workshops (while priorities in the field appear to be mostly similar, the plans are tailor made for the districts); (4) drafting of DEPs considering ESP 2020-25 targets, EMIS and EMA reports; (5) incorporating the final budget allocations. Currently the drafts are being shared with the Directorate for approval and signing off by DEOs and Deputy/Assistant Commissioners of the respective districts. Based on in-depth conversations with the education staff concerned, this is most likely to proceed.

Capacity development on (1) public finance management, budget execution and other matters, and (2) Parent Teachers Councils (a 4 day training for two persons per PTC) equally receives words of praise from the department. A meeting with the trainees was proposed but the evaluation team declined on the basis that final beneficiaries did not have to drive up to 7 hours one way for a short meeting. This said, the PTC have financial delegated authority of 30 million PKR per year, which justifies refresher training if logistically feasible. Monitoring of the quality of the trainings is difficult in the absence of monitoring reports that sufficiently capture the quality aspects. Considering that the starting level of the beneficiaries is low, any training will enhance their knowledge.

During a coordination meeting in October 2019, the Secretary, Elementary and Secondary Education Department expressed his gratitude ¹⁰for the GIZ team and appreciated their support for better planning and implementation of reforms in the education sector. He reiterated GIZ's contribution for making the Education Management Information System (EMIS) more efficient through data refining and re-integration of relevant data set for the concerned unit to extract information from all data available. Moreover, he also appreciated the trainings sponsored by GIZ on EMIS to the concerned staff. He informed the forum that after the introduction of management cadre', 702 vacancies were advertised by the E&SE department for hiring specialized managers for the Merged districts. Subsequently, he referred to the ongoing training on Public Financial Management and emphasized the importance of this training in streamlining budget processes at the departmental level. He expressed his satisfaction on the technical assistance being provided by GIZ.

4.4.2 Quality of outputs in the KfW/SRSP component

4.5.2.1 Quality of the outputs in the social mobilization component

The MTR Mission visited 21 CBOs (11 male and 10 female communities). The number of livelihood trainees that were interviewed is 25 (out of which 10 female).

The quality of outputs in the social mobilization component is found to be satisfactory.

The social mobilisation approach is process driven

- (1) The social mobilisation process of formation of CBOs is participatory and process driven. Communities are aware of the need and rationale of their CBO and their responsibilities under the Terms of the Partnership with SRSP.

Trainings have empowered communities and enhanced incomes of beneficiaries

¹⁰ Coordination meeting 22 October 2019, p.2

- (1) The managerial trainings have contributed towards enhanced quality of management of the CBOs.
- (2) Livelihood trainings have resulted in increased incomes of all the trainees. This testifies that training needs assessment were effectively carried-out, value chains identified reflected the trends in the market and quality of training was good. The livelihoods component adopts a holistic approach where trainees are provided training courses, livelihoods support and market linkages are fostered.
- (3) Livelihood trainings has been divided into two types of trainings: (i) Natural Resource Management (NRM) trainings and (ii) Employable Skills Training.
- (4) Overall, 1,216 people (male 696, female 520) have been trained, out of them 57% (50% male and 50% female) participated in NRM trainings and 43% (63% male and 37% female) were trained in employable skills.

Impact of training is constrained by socio-cultural and security constraints.

- (1) The male communities are provided quality hands-on training in technical institutes located outside the Merged Districts, while females are given training in the villages due to mobility constraints.
- (2) SRSP's training strategy is not overly sensitive to socio-cultural and mobility constraints of the communities. Male community members prefer not to leave their areas because of security and tribal feuds but the training takes place outside their districts.

SRSP's training strategy is not informed by its experience and best practices on the ground whereby it has tested a flexible and robust training strategy by taking the training lab to beneficiary communities in the districts. In this realm, SRSP operated Mobile Training Units (MTUs) in the target districts (in another project) and provided training courses to men and women communities. These were vehicles equipped with teaching aid equipment such as screens, a generator, learning equipment, portable projectors, biometric attendance system, solar energy supply units, and digital hardware for training sessions. This approach increased the quality and overall impact of training, was both environmentally feasible (one vehicle per district) and cost-effective since taking beneficiaries for a three-month training in Peshawar requires greater costs and travel as compared to training the trainees in the target district. It was inherently a sustainable approach as the mobile training units could later on be used by SRSP to continue technical backstopping the trainees in MAs even after the closure of the project. SRSP had proposed the idea to KfW under the capacity building plan. However, an agreement could not be reached despite several back and forths between KfW and SRSP.

Record keeping is overall satisfactory.

- (1) The community "Record Keeping Register" has various forms that cover key interventions related to resolution for formation of community organization, village profile, CBO members profile, village development plan and other forms.
- (2) The proceedings of CBO meetings are duly recorded along with signatures of the meeting participants/members. However, the recording of these proceedings is generally brief and superficial.
- (3) Communities do not record proceedings of all its meetings. Only those meetings are recorded in the register wherein the agenda relates to nomination of members for training, selection of CPIs and village Development Plan.
- (4) The CBO Terms of Partnership (TOP) document exists with all CBOs but many of them have not signed the copy.
- (5) The CPI partnership document does not include details of instalments, nor a clause for termination of partnership; any delay in project implementation is not sanctioned with a penalty.
- (6) Comparison of CBO and SRSP records:
 - CBOs' and SRSP's community record in district offices are nearly identical except for a few discrepancies.
 - The record of community savings and CPIs are well maintained at both levels.

Village Development Plans are not developed.

- (1) Village Development Plans are not present in the CBO record. The CBOs' development agenda that was shared with the evaluation team is generic, lacks depth and appears to be uniform

across CBOs. They are in substance more 'vision-statements' and a 'wish-list'. It is puzzling that SRSP with its vast experience in community mobilisation and facilitating communities in developing their 'Village Development Plans' could have ignored this important aspect of community empowerment.

Involvement of communities in CPI schemes is effective.

- (1) CBOs are fully engaged in identifying, planning, implementing, monitoring, operating and maintaining the community infrastructure schemes. The communities are successfully involved in the implementation and oversight of these schemes in a transparent way. In this regard, the three types of committees formed within the CBOs to cater to the CPIs are functioning well:
 - a. The Project Committees are functioning as per their TORs. Labour and materials for the construction of CPI scheme have been arranged.
 - b. The Audit Committees have been auditing all the activities and accounts of the project maintained by both the Project Committee and the Maintenance Committee. It has been verifying all the bills and vouchers of expenses of the CPIs.
 - c. Maintenance Committee - Although the Maintenance Committee is supposed to collect 3% maintenance charges from CBO members for the operation and maintenance of schemes, the savings in all the CBOs are far below the required amount. This demonstrates that these schemes are vulnerable in the long-run as these will not be maintained with the present financial capacity of communities. This is mainly because SRSP has not translated the 3% into a monetary figure. There is no proper 'CPI exit strategy' with the CBOs.

Quality assurance of social mobilisation is in place but not effective.

The project has engaged a full-time Monitoring Consultant for quality assurance of the social mobilisation component within AUP. However, monitoring is not up to standard. This is further detailed in question 3.6.2 on monitoring

CBOs have forged effective linkages and viable networks.

- (1) The MTR Mission is particularly impressed with the level and quality of linkages that CBOs have forged with government line agencies and officials.
- (2) In District Kurram the Mission met Additional Deputy Commissioner and Assistant Commissioner, in North Waziristan the Mission met Deputy Commissioner, Minister for Development and District Police Officer and in District Khyber the Assistant Commissioner amongst other officials of line departments in all four districts. The feedback received was extremely encouraging.
- (3) It goes to the credit of SRSP that in engaging with government officials over many years, they have been sensitised in the participatory approach and have become champions of community development.
- (4) CBOs have been partnering with other civil society organisations for the wider development agenda of their community and village.
- (5) State-citizen dialogues are encouraged through the CBOs' platforms of Community Networks and Managers Conferences.
- (6) Therefore, under Result 1, the project has successfully developed CBOs with effective linkages with the government and other donor funded projects.

4.5.2.2 Quality of the outputs in the Community Physical Infrastructure component

The MTR Mission visited ten community physical infrastructure schemes and met the beneficiary communities of the schemes in four of the target districts except South Waziristan. These schemes include irrigation, concrete roads, street pavement, causeway, gravity flow and solarisation drinking water supply and sanitation schemes. All these schemes reflect the needs of vulnerable communities and are environmentally assessed and declared environment-friendly.

As per Delegation Agreement with KfW of 12 December 2016, the average cost of CPI was EUR 12,750. Since the needs of communities in certain cases could only be realised through large size schemes this increased the average cost to EUR 29,000 per scheme.

Quality of CPIs varies due to the nature of schemes.

- (1) The quality of CPIs varies depending on the nature of schemes. The community schemes that are small in size are of better quality than larger schemes.
- (2) The process of implementation that includes procurement, finances and construction oversight are more efficiently managed by communities for smaller schemes than for large ones. The smaller schemes are generally implemented within the prescribed timeframe whereas the larger schemes often suffer delays in completion.

Process of design review and finalisation impacted quality.

- (1) Smaller schemes have a simple design with minor design flaws, and are overall satisfactory. These schemes did not face any major issue in implementation. The larger schemes are affected by design issues.
- (2) The design review time between SRSP and the Monitoring Consultant for finalising the designs of larger schemes was longer because of several back-and-forth reviews of design parameters.

Timing of construction is critical to the quality of schemes

- (1) The delays in finalisation of designs in certain instances took months, as a result of which construction work commenced during harsh winter weather. Such weather is not conducive for civil and engineering works. As a result, the quality of the schemes was compromised. This had a ripple-effect on the timeline of the CPIs since complications in construction translated into overall delays and completion of the CPIs.

Testing of construction material carried-out to ensure quality control

- (1) All relevant and practical lab and field tests have been carried out to ensure quality control in CPIs i.e., water quality, resistivity and slump tests for concrete have been duly ensured. The extent and nature of lab and field tests varies depending on the size of schemes. In larger contractor-based schemes the lab tests requirement was stringent and as such 'all the required lab tests and field tests' i.e., aggregate, brick strength and steel tests, concrete test have been ensured. In smaller community schemes, the testing protocols are 'few and all were adhered to' as well. These included slump test for concrete, resistivity and water quality tests.

Due Diligence and quality of construction material:

- (1) Quality of construction material is not as per standards. In several schemes, river-bed material has been used replacing sand and concrete which is against the engineering norms and standards. Mixing of concrete was done manually. Material ratios (1:2:4 or 1:3:6) were fixed without proper measuring box. In 6 inches thick slab, a 2 inches marble strip has been placed. In PCC street pavements, vibrator has not been used to avoid honey combing and homogenisation of concrete. Hydraulic structures like irrigation, culvert and causeway are constructed without proper surveys, without topographic map or hydrology data.
- (2) Ironically, sand and concrete have been charged in BOQs where river-bed material has been used. This raises a red-flag on the financial transparency within these schemes and the overall accountability mechanism at SRSP and Monitoring Consultant levels since both have not adhered to due-diligence.

Non-adherence to SoPs compromised quality assurance.

- (1) The technical manuals and check list of individual schemes were not followed as per prescribed engineering protocols and practices both by SRSP 'Quality Assurance Engineer' and the 'Monitoring Consultant'.
- (2) Schemes were approved without complete design parameters.

- (3) The Kasha causeway in District Orakzai and an irrigation scheme in Lower Kurram have been approved without reliable hydrological data and topographic survey.

Unrealistic workplans impact on the quality of schemes

- (1) The quality of schemes has suffered from unrealistic workplans that do not take into consideration the capacity of communities (for large schemes). The duration of construction is not sensitive to seasonal context and the overall security situation.

Low quality and delivery of technical backstopping and monitoring.

- (1) The engineers of the Monitoring Consultant have relatively less experience compared to the SRSP engineers;
- (2) The technical skills of the Monitoring Consultant are not up to standards. Their low capacity has hampered technical backstopping. Moreover, monitoring at 0%, 50% and 100% of construction works has meant that technical oversight does not happen at critical stages within the construction phase. This is further detailed in question 3.6.2 on monitoring.

Sustained maintenance and quality assurance of schemes are ensured through communities.

- (1) It is pertinent to view quality holistically. This implies that quality of schemes is ensured not only till its completion but also continues after it has been handed over to communities. Hence sustainability in maintenance is a 'critical driver' of quality.
- (2) The operation and maintenance of large schemes is beyond the technical and financial capacities of the communities. The larger schemes require sophisticated tools, machinery and equipment for carrying out regular maintenance and rectification. These are not available.
- (3) Based on standard engineering practices 3% annual maintenance cost is a heavy burden on the community resources. Since most of the CPIs are small schemes, the communities are well positioned to maintain ensure quality of schemes for that size of works; the 3% for larger schemes is a challenge that is at risk of not being achieved.

Scope of CPIs can be enhanced for widening the impact.

- (1) The CPIs pertaining to drinking water and solar pumps have the capacity to increase their scope and impact as these can be used for lighting the community houses provided the CBOs can arrange their own batteries. This way the communities can establish their own micro grid system.

CPI records at community and SRSP level are well maintained.

The three Project Committees pertaining to each of the ten CBOs visited were functional.

(1) Quality of records at Community level.

- Project Committee – record of quality of works and progress are maintained and up to date.
- Audit Committee – record of materials purchased are found to be satisfactory except for the purchase of river-bed material instead of clean sand. In a few schemes the photocopy of cheques received from SRSP office are not available with the Committee.
- Maintenance Committee – the record of repairs are maintained by the communities.

(2) Quality of Record at SRSP level

- Files of individual CPI schemes are maintained by SRSP.
- Files of three out of ten schemes visited were incomplete. Photocopies of cheques were missing; design documents of irrigation scheme and causeway were not complete although 50% of works were already executed on these sites.
- Site visit reports of field engineers were missing in the files.
- Major purchases including cement, steel and aggregate record and bills duly verified by respective engineer were available.

5 SUSTAINABILITY

5.1 Have the relevant authorities taken the financial measure to ensure the continuation of services after the end of the action?

5.1.1 Financial measures taken by the relevant authorities in the GIZ component

5.1.1.1 Governance and Dialogue

Gender Desk Officers are included in the Accelerated Implementation Programme scheme on “Promoting Gender Mainstreaming in the Merged Areas (designed by UNDP). The initiative was approved by the Social Welfare Department and the Khyber Pakhtunkhwa Cabinet. It provides for the recruitment of more than 50 women to be posted in the Merged Areas. It is the first fully government owned gender mainstreaming programme for the MAs and constitutes a considerable budget increase (700.000 million PKR) for services used by women.

5.1.1.2 Education

District Education Plans (DEPs): DEPs are an extension of the policy and strategic document i.e., the Education Sector Plan (ESP). The ESP informs development planning and budgeting at the district level and feeds into the District Performance Score Card. The ESP is revised regularly and leads revision of DEPs in settled areas since 2008. Once the ESP is revised, DEPs too are revised in-light of the strategic objectives. DEPs are also part of the compendium of RULES OF BUSINESS, 2015. The DEPs are taken stock of through District Steering Committee meetings chaired by the district administration.

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Technical assistance at district levels: the provincial government has started hiring 300 staff to bring staff structure at par with the settled district of KP. As in the settled districts of KP, the delivery unit function will be filled with full time permanent staff from the Department of Education.

Technical assistance at provincial levels: the KP government is shifting to an online PC1 preparation platform (PCFMIS). This will improve preparation and follow-up on development projects. As the new system is in its infancy, the existing capacities are limited, and support is highly relevant in streamlining the delayed processes due to the change of system. The module is working to train master trainers at various levels within the partner structures for that no further support is needed in this regard as the action ends.

Training of PTCs: In the settled areas, the lead partner has carried out training of PTCs through its development budget (2015). It is expected that the same will happen if there is a need in merged areas in the future. In merged areas, as and when GIZ implemented trainings, the lead partner transferred PKR 2.892 billion into parent teacher councils to enable them school development leadership.

Capacity development of management staff: The Provincial Institute of Teacher Education (PITE) is being restructured into the Directorate of Professional Development and will be fully able to continue capacity development after the end of the action. Since 2017, the E&SED allocates its own funds in the annual budget for professional development of teachers, supervisors and management staff in

Khyber-Pakhtunkhwa. It is very likely that the lead partner will continue investing in a similar way for the Newly Merged Areas.

EMIS: The integrated data set for merged areas and settled districts has been fully taken over by EMA. EMA has been mandated by the department to carry out a census collectively for both NMAs and settled districts of KP independently. Data collected will be utilized by the EMIS as well as district formations of E&SED.

5.1.1.3 Health

Financial sustainability is good, with substantial financial measures taken.

CEP/CD is part of the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025. The Khyber Pakhtunkhwa Government has allocated PKR 2150.637 Million for 2020-21 and committed another PKR 8210.717 Million beyond 2021 for capacity development measures and establishment of medical education institutes in the province including Merged Areas. This encompasses PKR 500 Million for expansion/upgrading of Khyber Girls Medical College (at Khyber Medical University) for additional female students of the Merged Districts.

Health Sector Planning is part of the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025. The Khyber Pakhtunkhwa Government has allocated PKR 57 Million for 2020-21 and committed another PKR 460.053 Million beyond 2021 for health sector planning, health sector reforms, health institutional strengthening and monitoring.

The District Health Information System (DHIS) is part of the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025. The Khyber Pakhtunkhwa Government has allocated PKR 62 Million for 2020-21 and committed another PKR 88.078 Million beyond 2021 for the province and Merged Areas.

5.1.1 Financial measures taken by the relevant authorities in the KfW/SRSP component

Post-merger KP government undertook a ten-day long strategy workshop in Aug 2018 to devise the way forward for the development of the tribal region. SRSP participated in this workshop where they were able to provide input on the basis of their experience of implementing projects including AUP in the tribal belt. The result of the workshop was the Tribal Decade Strategy 2020-30, which emphasises on community participation and on addressing their critical development needs. AUP contributes towards this strategy of the KP government. It is demonstrating a viable community-driven development model where they organise broad-based and inclusive representative bodies for participation in local planning and development. The project also facilitates linkages between the CBOs and the government and donor funded interventions. The current policy environment is very welcoming.

KfW has sought ways to accelerate its expenditure and progress of the work by a.o. funding schemes from within the government's Annual Development Plan (ADP). This argument is based on the logic that the bigger schemes under the ADP will ensure strong ownership of the government and hence the longer term sustainability (in addition to an increased pace of financial burning). In reference (see footnotes for the source material): *"...If the Government of Khyber Pakhtunkhwa has set up a plan to uplift the merged districts, it should be assessed to what extent funding from Component 2 could directly contribute to the government's activities in this regard. We recommend exploring with the Government of Khyber Pakhtunkhwa and SRSP to what extent funds could be redirected as a co-funding of the government's uplift programme for the merged districts".¹¹ "AUP may take up larger/complex*

¹¹ Annual Report of Component 2, 2019

infrastructure schemes as well as fund ADP infrastructure schemes. This will also help the government".¹² SRSP's position however is that "...participation of local communities will remain at the heart of the project. It was emphasized that AUP should continue to support community-identified and managed infrastructure schemes. AUP cannot support schemes from the ADP".¹³

The MTR mission earnestly believes that in case the project funds schemes from the government's ADP this compromise on AUP Result Area 1, which categorically mentions strengthening of communities that participate in the selection, prioritization, planning, realization of rehabilitation and reconstruction as well as in the operation and maintenance of the CPIs. By funding an ADP scheme, the project will be going against the community-driven local development approach mentioned in the specific objective of the project. Instead of beginning with community mobilization and enabling communities to identify their priority needs, the project would identify the scheme prior to organizing a community. It would also compromise on the role of communities in the planning implementation and monitoring of the scheme as envisaged in the project. It is fundamental to understand that the project approach cannot be oblivious of the fact AUP is not a Budgetary Support Programme of the EU for the government. Hence, picking up schemes that the government has already committed to in its ADP will be allowing fungibility of funds to the government. This will again not be aligned with the objectives of the project. Moreover, the schemes allocated under the ADP are mega infrastructure schemes, of such a size that they are technically not manageable by the communities for long-term sustainability. If AUP begins to fund schemes out of the ADP then the objectives of the project for ensuring community participation and building local capacities to manage and sustain their schemes post AUP handover (of these schemes) will stand compromised. Therefore, it is vital that AUP continue to fund smaller schemes through community participation rather than reverting to bigger and complex schemes from within ADP. This is key to building capacities within the project and ensure its sustainability.

5.2 Which activities are likely to continue beyond the current project cycle?

5.2.1 Continuation of activities beyond the current project cycle in the GIZ component

5.2.1.1 Governance

Considerable support is provided by the Result Area Governance and Dialogue to the Local Government Department in the drafting of legal and regulatory framework (Monitoring and Supervision rules, planning, budget and account rules) under the Local Government (Amendment) Act 2019. Once notified it will be incumbent upon the Local Government Department to establish functional assignment architecture for devolved sectors at the Tehsil level, to train its officials and future elected representatives after the Local Government Elections on these new rules.

Tehsil development planning by the newly elected representatives have been made compulsory/mandatory by the Local Government Act 2013, and its Amendment Act of 2019. Medium- and long-term development plans will be developed once elections are held.

Gender Desk Officers are likely to continue through recruitment of 50 such officers throughout the MAs – sufficiently resourced through the AIP scheme and approved by the Cabinet.

¹² Minutes of meeting between KfW and SRSP dated 22nd October 2019

¹³ Minutes of Teleconference between the EU, KfW, SRSP and AiD on April 2017

Capacity building of new local government structures through twinning, trainings: the concept of twinning has been highlighted as a success story by the Local Governance School, which is now working with UNDP towards its institutionalization. In this regard, a final report on the impact of Twinning is being prepared by UNDP and will be presented to the LGS management and the Local Government Department. The LGS requested to extend the system to the currently working Tehsil Municipal Administrations of the settled districts of Khyber Pakhtunkhwa as well as to the other provinces of Pakistan. Human resource (municipal officers) is available with the Local Government Department in the Merged Areas and in the settled districts. The institutionalization strategy on twinning will also cater for the financial aspects. This falls technically outside of the GIZ Delegation Agreement (as it is implemented by UNDP), but can be seen as an accompanying measure not funded by the GIZ project, that will still positively impact sustainability.

State-citizen dialogue: in terms of human resource, the local government officials are working in the municipalities, and the district administration is present in the Merged Areas to continue dialogue activities. However, these dialogue activities have to be financially resourced by the partners.

Institutional strengthening of Local Governance School (LGS): a 3-year business plan will chiefly support the school in the development of a financial and human resource plan. Currently this is under-resourced.

Local revenue generation: the programme supported identification of potential revenue generation in all 25 municipalities of the Merged Areas and drafted a policy brief for the Chief Minister of KP. This will provide an opportunity to local governments in the Merged Areas to levy taxes and fees within their municipalities after the approval of Provincial Government.

5.2.1.2 Education

Revision of District Education Plans (DEPs) are very likely to continue due to its need and relevance to the partner. The DEPs already identify the inputs (physical/quality) for the next 3 years. This means that revision and follow-up of DEPs is mandatory for the partner in the following year. Also, ESP 2020-25 and ESPIG (ESP-Implementation Grant) requires DEPs to be developed on annual basis for the achievement of relevant district wise targets.

Training of PTCs are likely to continue if needed. They have proven to be of capital importance and have been acclaimed by the partner government. The partner is supposed to implement community led projects for school improvement, which makes this training an unavoidable requirement.

Capacity development of management staff: the Provincial Institute of Teacher Education (PITE) is being restructured into Centre for Professional Development and will be fully able to continue capacity development after the end of action.

EMIS: The integrated data set for merged areas and settled districts has been fully taken over by EMA. There is still some personal friction between staff of EMA and EMIS, but this has improved and is therefore not expected to hamper sustainability.

5.2.1.3 Health

As the Merged Areas are now under the umbrella of Khyber Pakhtunkhwa Health Department so all the future planning in Merged Areas is to be aligned with the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025. The Khyber Pakhtunkhwa Health Department is committed to implement the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025 in the whole province including the Merged Areas.

CEP/CD is part of the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025. One of the five policy outcomes of the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025 is improved human resource management and one of the action points of this policy outcome is that 70% of all staff meet the skills requirement of their positions. The Health Sector Strategic Plan states to ensure that continuing medical education and development programme exists to fulfil the requirements of effective and quality service delivery.

Health Sector Planning and the District Health Information System (DHIS) are part of the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025.

5.2.1 Continuation of activities beyond the current project cycle in the KfW/SRSP component

The CBOs and Community Networks will continue to operate, especially if work on strengthening their linkages continues to be part of the implementation strategy. The CPIs will be maintained by the CBOs. The MTR Mission observes that the CBOs have developed the habit of pooling resources as collective savings. While there is a need to further encourage this practice amongst the CBO members, it is a positive sign that the CBOs are inclined towards self-sustenance after the project completes.

Moreover, the CPIs will also continue serving communities' needs beyond project timeframe provided they are regularly maintained and stay operational. The communities' savings and Maintenance Committees are very encouraging in this regard.

It is pertinent to note that SRSP received a long-term capacity grant which allows it to stay in the area even after the project is over. SRSP will therefore continue to extend support to the CBOs for linkages development.

5.3 Is there a clear strategy for continuing project activities beyond the project timeframe ?

5.3.1 Exit strategy in the GIZ component

5.3.1.1 Governance

There is no overall strategy yet. Since implementation is very delayed, there is a willingness at GIZ to look at an extension, but no decision can be made until roughly half-way 2021. If a one year extension is to materialize, the horizon becomes about two years. This is sufficient for the formulation of an exit strategy. At the current level of implementation, insufficient data are available for GIZ to formulate a full exit strategy. Exceptions on specific topics include: Gender Desk Officers; the Local Governance School; Planning and Budget account Rules 2021 for the Tehsil Development Planning; Monitoring and Supervision Rules.

5.3.1.2 Education

Revision of District Education Plans (DEPs): There is no formal (written) strategy at present. However, revision of DEPs is a requirement due to its need and relevance to the partner. GIZ plans to work jointly with the lead partner on a phaseout strategy.

Training of PTCs will be sustained through partners development planning processes.

Capacity development of management staff: the Provincial Institute of Teacher Education (PITE) is being restructured into the Centre for Professional Development and will be fully able to continue capacity development after the end of the action.

EMIS: fully taken over by EMA.

5.3.1.3 Health

As the Merged Areas are now under the umbrella of Khyber Pakhtunkhwa Health Department so all the future planning in Merged Areas is to be aligned with the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025. The counterparts are committed to implement the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025 in the whole province including the Merged Areas. CEP/CD, Health Sector Planning and DHIS are part of the Khyber Pakhtunkhwa Health Sector Strategic Plan 2019-2025.

5.3.1 Exit strategy in the KfW/SRSP component

The sustainability of the interventions will be judged by the continuity of the Community Organisational arrangements and the maintenance of the physical infrastructure schemes. How the Government of KP supports these advances will be crucially important for long-term success.

At some places, the project has already started supporting the CBOs to have their apex structure called the Community Networks. The project focuses on local capacity building and fostering state-citizen linkages to maintain CBO interest.

The policy environment at the moment is very welcoming to close cooperation of all parties. The government foresees the formation of CBOs as an effective tool in terms of overcoming trust deficits in the region. Since the merger took place, the District Administration has started Khuli Kachehri (Open Courts). This is an activity where the Assistant Commissioner of the concerned Tehsil, or in some cases the Deputy Commissioner, participates and interacts with communities in their villages. Khuli Kachehri and Manager Conferences are the activities where communities openly speak about their issues, problems and share experiences with each other. Therefore, SRSP & District Administration have decided to have this event jointly instead of arranging separately for the same communities. This activity is like to continue even after the closure of the project.

SRSP also fosters linkages of the CBOs with other donor funded projects. For instance, the CBOs and particularly those women who have received training sessions on basic human and legal rights under the UNDP funded Rule of Law project in the tribal districts. Similarly, the CBOs in Khyber were linked up with a WFP funded initiative for establishing nurseries.

Longer-term sustainability of maintenance of CPIs, the strategy within AUP must be based on the financial and technical capacities of communities maintain the schemes. However, whilst the project has encouraged savings within CBOs that are likely to be used by them for the operation and maintenance of CPIs, yet these savings are relatively meagre and will not cater to the expenses required for their O&M. It is therefore imperative for a long-term sustainability strategy for the CPI schemes and in this realm the project needs to develop an 'Exit Strategy' for each and every scheme that specifies the maintenance costs needed to keep them functional, and then motivate communities to match its savings to the financial needs of the long term operation and maintenance of the schemes. It is too early for this to happen, given the time line of implementation. The formulation of exit strategies for the CPIs will need to be a focus in the last year of implementation.

6 CROSS-CUTTING ISSUES

6.1 What is the level of coordination with other funded projects in similar fields ?

There is no general donor coordination at Peshawar level. The Chief Economist requests an institutionally sound establishment of a coordination mechanism. This is a fair request, although it can be validly argued that the responsibility to coordinate international actions for the benefit of the province of Khyber Pakhtunkhwa falls onto the government of the latter, and not to the international community - or alternatively as a joint initiative, but certainly not as the sole responsibility of the donors.

The Provincial Government of PTI formulated 4 years Integrated Development Strategy (2014-2018). Under this strategy, the government had notified various sectoral coordination committees comprising of donors supporting in different sectors. This is now not current anymore. The KP Government has a new Sustainable Development Strategy (A Medium-Term Development Framework for Khyber Pakhtunkhwa for 2019-23). There is no sectoral coordination forum under this strategy.

Bilateral efforts of coordination take place, as the respective project/programme managers exchange as a matter of course but without institutional mechanism. Projects in related areas include: FATA Development Programme (FDP), TVET, 'Reintegration and Rehabilitation of Temporarily Displaced Persons in the Federally Administered Tribal Areas (RRP-TDP), DfID funded Khyber Pakhtunkhwa Merged Districts (KPMD) Programme, UNDP funded Merged Areas Governance Project (MAGP), Multi Donor Trust Fund (MDTF) implemented by the World Bank, DfID funded Sub National Governance Programme (SNG II), EU funded Community Driven Local Development (CDLD) Programme, and DfID and AusAid funded Khyber Pakhtunkhwa Education Support Programmes (KESP) I and II.

On local governance, which is the realm of the GIZ component, a coordination structure does exist. All development partners receive official invitation of meeting from the Local Government Department. The Secretary Local Government Department presides these donor coordination meetings. The LG Donor Coordination Dashboard is updated accordingly. Updated LG dashboard is then officially shared with the Development partners. No minutes are taken of the meetings.

Specifically, LGE&RDD has developed a Local Governance Donor Coordination Dashboard which provides a list of critical initiatives for reforming local governance in Khyber Pakhtunkhwa. Through this Dashboard, the LGE&RDD converges its efforts and the contribution of development partners for developing synergies for expeditious pursuit of its goals. The Dashboard is therefore a linchpin for effective donor harmonization. The Dashboard comprehensively covers every functional area of LGE&RDD, its field formations, and local governments and encompasses key reforms needed to modernize local governance in Khyber Pakhtunkhwa especially focusing on rigorous implementation of the Local Government Amendment Act 2019.

This will provide an opportunity to the development partners to align their work plans and muster resources needed for supporting LGE & RDD in delivering on its reforms' agenda

International partners are invited to share new reform ideas especially for strengthening governance and improving service delivery efficiencies and effectiveness (a.o. amid the COVID-19 pandemic).

6.2 Are environment and climate change mainstreamed?

The interventions of the project at the grassroots need to be examined whether they duly address environment and climate change concerns. These will be at three levels – one is the training curricula that address these perspectives and second the training imparted to the community institutions especially the women trained in health and hygiene. The third the Community Physical Infrastructure (CPI) schemes constructed by the project and how well these impact the environment in terms of provision of clean drinking water and access to better drainage system.

Community Training: Under Result 1¹⁴, the project provides community management and leadership management skills training courses to CBOs. The CMST is a day-long workshop which is attended by 70% of the membership. The LMST is a five-day long training workshop, which covers a wide range of subjects. Environmental protection is covered as an important aspect of work under the community physical infrastructure schemes and this related training..

Community Physical Infrastructure Schemes: Under Result 2, the project undertakes community physical infrastructure schemes¹⁵. Although these are not mega/complex/technical schemes that can lead to massive environmental degradation, the project undertakes an environmental assessment before the on-set of each schemes. This is a quick assessment that allows the project to ascertain the possible environmental impact of the scheme, for instance if the scheme would lead to massive deforestation or contamination of drinking water etc. This assessment is part of the scheme design and BoQ and approval for further process is conditional to its inclusion. As part of climate change adaptation, the project promotes use of renewable energies in the communities. This is being done through introducing solarized drinking water supply schemes and solar-powered street lights for lighting at night.

Needs-Based Social Mobilization: Under Result 1, the project entails an activity called needs-based social mobilization. This platform is used to identify subjects requiring community awareness, attention and support for behaviour change. So far, the project has conducted more than 20 need-based social mobilization events. 7 of these have promoted plantation drive and 21 have been health campaigns explained below;

- 1) **07 Plantation Drives** have been organised with the support of the Forest Department in Districts Khyber and North Waziristan. 32 men CBOs participated, mobilizing collective action of 500 participants who planted around 400,000 trees. The campaign begins with a simple session on environmental protection and climate change. The activity has been acknowledged for its contribution towards Prime Minister's Clean and Green Pakistan. This is a five-year flagship campaign of the Prime Minister of Pakistan, which aims to address five components; plantation, solid waste management, liquid waste management, total sanitation and safe drinking water. The campaign focuses on empowering citizens to seek access to basic services and making themselves accountable and responsible for Clean Green Pakistan.
- 2) **21 Health Campaigns** were carried out in Districts Khyber, Orakzai, North and South Waziristan. 594 men and women members from 104 CBOs participated in the campaigns. The campaigns were arranged to create awareness on water pollution (i.e. environment) leading to diseases such as leishmania, open defecation, drug addiction, hepatitis, and malaria etc. Health experts were engaged as resource persons.

¹⁴ Result Area 1: Local civil society is strengthened in such a way that residents of KP Merged Areas and returnees participate in the selection, prioritization, planning, realization of rehabilitation and reconstruction

¹⁵ Result Area 2: Community infrastructures and productive assets are upgraded

6.3 Are relevant SDGs and their interlinkages identified?

No	Result Areas	SDGs	How
1	<p>AUP Result 1: Management/Institutional development training for communities</p> <p>Local civil society is strengthened in that residents of FATA and returnees participate in the selection, prioritization, planning, realization of rehabilitation and reconstruction, as well as in the operation and maintenance of CPI</p>	<p>Goal 16 (Peace, Justice and Strong Institutions), Goal 17 (Partnerships for the Goals), and Goal 10 (Reduced Inequalities)</p>	<p>The security crisis witnessed in Swat and in the tribal districts provides compelling evidence of the fact that an unhappy and disappointed population easily falls prey to radicalism and extremism. Years of regional instability, and poor governance have shaped the situation in the border areas of Pakistan, particularly the tribal districts, reflected in marginalization, inequality and underdevelopment. This has nurtured grievances against the State, which have been exploited by militants. This has resulted in huge population displacement and aggravated high levels of vulnerability. The gaps between service demand and delivery through the destruction of state supported facilities increased.</p> <p>In order to reinstate government writ and build back better systems the government policies and strategies emphasize on state-citizen engagement. The Component 2 of AUP contributes to this objective by supporting and sustaining community-driven local development initiatives in selected areas to create a favourable socio-economic environment for returning TDPs. The project envisages this through establishment and strengthening of an inclusive and representative system of community mobilization for socio-economic development. In order to so, the project follows the RSP approach of community mobilization where it organizes inclusive, representative, broad-based, and membership-based institutions of the local communities. The project builds local capacities and creates opportunities (through Results 2 and 3) where communities actively participate in local planning and development. They identify critical development needs, plan resources and implementation, monitor, and establish Operation and Maintenance mechanisms for long-term sustainability of their projects. The project also enhances the capacities of CBOs in networking for navigating authorities and articulating their voice and needs for the improvement of their areas.</p> <p>This approach promotes bottom-up local development, which inverts the traditional top-down approach and brings communities at the heart of the process meant for their uplift and development. This facilitates in restoring trust deficits in the region and ensures local communities have a say and voice in the process. Their active involvement in planning, implementing and sustaining interventions enables their resettlement in their area. A content and peaceful community thus helps in achieving SDGs 10, 16 and 17.</p>
2	<p>Result 2: Community Physical Infrastructure</p> <p>Community infrastructures and productive assets are upgraded, operated and maintained via community involvement to increase access to economic and social services</p>	<p>Goal 1 (No Poverty), Goal 2 (Zero Hunger), Goal 3 (Good Health and Well-Being), Goal 6 (Clean Water and Sanitation), Goal 7 (Affordable and Clean Energy), Goal 9 (Industry, Innovation and Infrastructure), and Goal 13 (Climate Action)</p>	<p>The Result 2 of Component 2 focuses on improving community identified, and managed critical infrastructure needs. Till date the project has initiated/completed 162 infrastructure schemes. These include; 117 drinking water supply schemes and out of these 63 are solarized water schemes; 30 street pavement and sanitation schemes out of which 12 schemes include solarization for lighting during the night; 11 irrigation channels; and 4 road infrastructure projects. In doing so it contributes to;</p> <p>a) Improving access of local communities</p>

3	<p>Result 3: Vocational skills training in combination with livelihood support Sustainable incomes of most vulnerable households have been increased</p>	<p>Goal 1 (No Poverty), Goal 2 (Zero Hunger) Goal 5 (Gender Equality) Goal 7 (Affordable and Clean Energy)- through the introduction of training courses on solar panel use Goal 8 (Decent Work and Economic Growth) Goal 10 (Reduced Inequalities) Goals 3 (Good health and well-being)</p>	<p>to clean drinking water (Goal 6- Clean Water and Sanitation and Goal 3- Good Health and Well-Being). 13 of the drinking water schemes are solarized. Hence the project is also promoting use of renewable energy (Goal 7 Affordable and Clean Energy and Goal 13 Climate Action).</p> <p>b) Improved irrigation channels is helping revive livelihoods of small-land holding farmers (Goal 1- No Poverty). Better yield and production as a result of improved agriculture infrastructure is expected to contribute to Goal 2- Zero Hunger.</p> <p>c) Road infrastructure (link roads, suspension bridges) are improving the access of remote rural communities to basic services (education and health) and markets. Hence, this contributes to Goal 3 (Good Health and Well-Being) and Goal 9 (Industry, Innovation and Infrastructure).</p> <p>d) Improved sanitation and street pavements contribute to Goal 6- Clean Water and Sanitation and Goal 3- Good Health and Well-Being</p> <p>AUP takes a holistic approach to building/reviving livelihoods of the local communities. The approach includes skills training in trades and vocations, provision of toolkits, and support in market linkages.</p>
	<p>Result Area 1.2: Health The capacity of state actors to provide services in the health sector has improved.</p>		<p>AUP has plan to enhance the capacity of the state actors to provides the better services of the health. The project has not yet made significant progress in this regard.</p>
4	<p>Result Area 1.1: Governance Capacities of counterpart to plan and budget to better respond to the development needs of organised community groups strengthened.</p>	<p>Goals 16 (Peace, justice, strong institutions).</p>	<p>The project was planned to work at the policy level to improve governance. Some steps have been taken in this regard but they did not become part of government policy.</p>
5	<p>Result Area 1.3: Education The capacity of state actors and civil society groups to provide services in the education sector has improved.</p>	<p>Goals 4 (Quality education)Gender equality (SDG 5)</p>	<p>Under the component 2 of the AUP; teachers have been trained and School committees have been formed. There are no statistics on the standardization of these activities. Furthermore, there is no information about the effects of these activities. In addition, dataset and MIS have been established but education department did not use them for their decisions.</p>

6.4 Is the principle of Leave No-One Behind enshrined in the identification/formulation documents?

The project is adhering to Leave No-One behind principle. It is working in areas of return following an inclusive and participatory approach to community driven development. The project implementation strategy suggests a vulnerability criterion which is all-encompassing. The criteria mention the inclusion of the poor and gives preference to the inclusion of women and people with special needs.

The project has so far organized 305 Community Based Organizations with 7,366 members. Out of these 49 are women organizations. As per the objectives of the project, 100% of the organized households are TDPs. Within this group, the project then further identified extremely vulnerable and ensures their participation. The extremely vulnerable form 43% of the total organized members. These include the extremely and chronically poor (16%) who are unable to afford water, access to clean drinking water, live in dilapidated structures, and have no access to education and health services; women (15.8%), and people with special needs, widows/women-headed households, etc. (12%).

6.5 Have the necessary measures been taken into account to enhance the role of women?

6.5.1 Gender in the GIZ component

GIZ has a gender focus across all its programme components:

a. Result Area Governance and Dialogue

This includes planned engagement with women for gender-based approaches in development planning and dialogue. It also aims to supporting Local Development Department in formulating Tehsil Development Plans for all 25 tehsils in Merged Areas and will be conducting 32 separate female dialogue sessions to include women in the dialogue process. Moreover, females will be included as guest speakers as well as targeted in various awareness raising and sensitization campaigns. This includes a Baseline Survey with District Administration and CBOs wherein women communities will specifically be targeted. However, these have not materialized for lack of an NOC; currently an MoU between GIZ implementing partner IMSciences with Local Government Department is in process whereby GIZ hopes it will enable it to roll-out this gender inclusive component in the MDs.

Gender Desk Officers are included in the Accelerated Implementation Programme scheme on "Promoting Gender Mainstreaming in the Merged Areas (designed by UNDP). The initiative was approved by the Social Welfare Department and the Khyber Pakhtunkhwa Cabinet. It provides for the recruitment of more than 50 women to be posted in the Merged Areas. It is the first fully government owned gender mainstreaming programme for the MAs and constitutes a considerable budget increase (700.000 million PKR) for services used by women.

b. Result Area Education and Health

In the education sector, AUP supported the E&SED in preparation of EMIS data led PC1s and budgets. The effort contributed to government effort to provide equitable access to education in the newly merged areas. It has also built capacity of 333 district education staff (total 400 target) out of which 98 are females with management responsibilities trained in public financial management, procurement rules and budget execution. Similarly, out of a target of 3500, AUP supported 4405 Parent Teacher Councils (PTCs) which included 1662 girls in opening of bank accounts and training of 8810 members including 3324 females.

In the health sector, AUP has built capacity of 305 health staff (out of a target of 305) with management responsibilities which includes 43 women (target is not sex-aggregated) on District Health Planning, Management and Budgeting. It also plans to enhance the capacity of District Health Officers and Planning Officers of MAs on development of PC-1 and inclusion of community needs including women needs in Annual Development Programmes. AUP also plans to engage to review Health Sector Strategic Plan in MAs from a gender perspective as well.

6.5.1 Gender in the KfW/SRSP component

Very low ambitions in the gender area. An overall analysis of the gender targets within the AUP needs to be comprehended to understand the extent of gender focus of KfW/SRSP project Component 2. As is evident from the tables below, in both AUP and RRP projects, the targets for women COs have been set at 5%, however the achievements has been very high at 288% and 116% respectively. As for livelihoods training, against the same 5% target for both, the achievements of AUP and RRP stands at

306% and 189% respectively. Meanwhile, if we look at SRSP's experience in other projects in same districts, the picture of targets vs. achievements inform a different picture. In FATA Economic Revitalization Project (FERP), the WCOs target was 56% and yet the achievement was 100%. Likewise, in livelihood training, against a target of 39% and 33% for FERP and SRC respectively, the women trainees the project achievement 100% for both.

The MTR Mission is therefore of the strong view, that the 5% gender targets for women in AUP are unrealistically low which is substantiated from experience on ground and these need to be scaled upwards to at least 15%. This will then need to be catered for by AiD to concentrate resources for female monitoring side which is currently on the low side.

Breakdown of CBOs									
PROJECT	Planned Targets			Achievements					
	Total	MCO	WCO	Total	MCO	WCO	% Achievement Against Targets	% Achievement Against MCO	% Achievement Against WCO Targets
AUP	340	323	17(5%)	305	256	49	79%		288%
RRP	380	361	19(5%)	411	389	22	108%		116%
OTHER PROJECTS									
FATA ECONOMIC REVITALIZATION PROJECT (FERP) UNDP (USAID)	142	60	80 (56%)	142	60	80	100%		100%
SUPPORT TO RETURNEES & COMMUNITIES (SRC)(EU through UNDP and UNICEF)	80	80	0	80	80	0	100%		0%

Note: The strategy for SRS was to work with existing WCOs and not form new one so target for WCOs is zero

Breakdown of Livelihoods								
PROJECT	Planned Targets			Achievements				
	Total		Women	Total	Men	Women	% Achievement Against Men Targets	% Achievement Against Women Targets
AUP	3,400	3,230	170 (5%)	1,216	696	520	22%	306%
RRP	3,890	3,695	195 (5%)	3,290	2,922	368	79%	189%
OTHER PROJECTS								
FERP	1,354	820	534 (39%)	1,354	820	534	100%	100%
SRC	1,800	1,200	600 (33%)	1,800	1,200	600	100%	100%

Understanding of role in the project. The MTR Mission visited 10 women COs and met 8 livelihood beneficiaries in Orakzai, Kurram and Khyber. Women organisations are faced with socio-cultural

constraints in the Merged Districts wherein them organising for collective development and empowerment through the WCO platform is usually viewed as a threat by men. The social mobilisation process was well ingrained as the WCOs' understanding of their role in community organizations was quite clear

Savings. The utilization of WCOs' savings was good. The livelihood training had increased women's incomes and they were cascading their knowledge of hygiene, animal milk production and vocational skills to even those women who were not members of the WCOs. However, the duration of certified trainings was short - women wanted longer courses to have the time to learn the techniques in detail and there was a need for more training. Training of 26 women representing three community organizations by a single trainer is a heavy workload and there is the need of a co-facilitator (if not another trainer) to support the trainer during sessions.

Record keeping. The quality of WCOs' record both at the community and SRSP office level was sound. There is a need though for the Social Organizer to regularly follow up with WCO General Secretary for a more detailed and clear record.

The risk of dependency is high. Since networking of WCO is quite weak, they appear to be very dependent on SRSP for nearly everything that needs to be organized. As such there is a complacency to venture into new partnerships and seek other opportunities. This is very obviously negatively impacting on sustainability and should be reflected in the exit strategy.

Monitoring not gender-focused. There is a lack of focus on the part of AID to monitor the women side of the project; they do not have full-time women monitor(s) to follow up WCO activities. There was no monitoring report of women organizations by AiD at district level or provincial level. Analysis of AiD's monitoring visits to WCOs can be found in their quarterly report only. On that basis, technical backstopping and corrective action cannot be taken.

7 CONCLUSIONS

Conclusion 1. Relevance and design. Major changes have taken place since the design, with the Merger of the ex-FATA districts: the project seeks to support the GoP in its establishment of key policies and strategies for mainstreaming and integration of ex-FATA districts into the political and socio-economic development process. There is no need for further changes in the definition of indicators; however, indicator values need to be completed. This has been done to the extent that both now reflect the context that changed between design stage and current implementation stage. The Action is coherent with national and international policies and frameworks: the Pakistan 2014-2020 MIP; GoP primary legislations, including the 18th Constitutional Amendment; GoP's Vision 2025; GoP's 11th Five Year Plan (FYP) (2013-2018); the EU's "Agenda for Change in terms of its key themes relating to the UN 2030 Agenda: People, Planet, Prosperity, Peace and Partnership; it addresses poverty, inequalities and leaving no-one behind, which are at the heart of EU development cooperation policy.

Conclusion 2. Efficiency issues in the Financing Agreement covering both GIZ and KfW contracts. (1) Monthly coordination meetings take place between GIZ and SRSP at technical level, and annual review meetings focus on the strategic management. GIZ have an indicator/obligation in their log frame that focuses on coordination with KfW under the Financing Agreement, while the KfW/SRSP log frame does not contain an identical result indicator. (2) It was agreed with the Economic Affairs Division that the regular coordination meetings (without decision making powers) are sufficient and that a Steering Committee meeting was not necessary (as per Article 2.4 of the Financing Agreement the project shall be indirectly managed by the EUD. It shall contract both GIZ and KfW, each of which will be responsible for the direct management of their relevant activities). According to the Financing Agreement nothing was agreed with EAD on the Steering meeting. This is a missed opportunity for strategic management. (3) Coordination meeting minutes are very vague on potentials for cooperation. No hands-on implementation synergy is referred to. One partner, KfW, rejects the need for synergies and states that complementarity is a tall order, in contravention of the spirit of the Financing Agreement.

Conclusion 3. Efficiency issues in the GIZ contract. (1) Implementation mechanisms are dictated to a large extent by the field challenges. GIZ not having received a Non-Objection Certificate for access to their target districts, the work in the field is done mostly through implementing partners. These implementation mechanisms are not documented in GIZs annual reporting to the EUD. (2) The expenditure currently stands at about 22%, which is a result of delays. (3) Several activities have been reported on that are funded by donors other than the EUD under the contract that is the subject of this evaluation. (4) The financial reporting does not provide a satisfactory level of detail, e.g. the budget line "Financing agreements and grants", which represents one third of the budget and is distributed over several sub-contracts, is reported on in one line. As a consequence, it is not possible to calculate and come to an informed opinion on whether the resources correspond to the needs of the Action. (5) It appears to be clear that the unspent balance is highly unlikely to be fully spent before the end of contractual implementation, and that there is either a need for a no-cost extension or for additional activities that can be sub-contracted and executed at a more accelerated rhythm than technical assistance can. A no-cost extension can only be addressed once the German Ministry BMZ makes a decision on its part of the funding in 2021. Without an extension of the BMZ part, the project implementation will have to come to an end on December 31st, 2021. (6) There is scope for additional activities to increase financial expenditure within the OO: elections (capacity building of district officials, awareness raising of the population about elections, radio spots, other comms) and on COVID-19. (7) Travel restrictions and rotation of international staff reduce effectiveness of Islamabad-based management.

The institutional memory sits with Pakistani staff in Peshawar.

Conclusion 4. Efficiency issues in the KfW component. (1) The distinction of roles and responsibilities between Project Executing Agency SRSP and the Monitoring Consultant AiD is at risk of being blurred. AiD's role in scheme design and concurrence results in involvement in implementation. (2) The

management lines between AiD on one hand and SRSP and KfW on the other result in a compromised accountability mechanism. The cost for the monitoring consultant is placed within SRSP's budget, but the contract is signed between KfW and AiD. (3) It is difficult to ascertain that the resources in the KfW component correspond to the needs of the Action because the budget came with variable target values that depended on needs assessments and community mobilization realised during the inception phase; now that more than half of the CPI schemes have not been budgeted yet, and with a very significant exchange rate fluctuation between budget negotiation and the current time frame. (5) SRSP states a clear intention to request a 24-month extension. Out of this, 18 months are proposed to be managed within the currently approved budget. However, for the remaining 6 months, SRSP will require additional operational funding.

Conclusion 5. Efficiency in the KfW component - AiD monitoring. The quality of the monitoring function by AiD suffers from a number of deficiencies, including basic issues such as a weak monitoring strategy, weak follow-up mechanism and low frequency of visits; very weak monitoring of the female component; monitoring not based in the target districts; engineering monitoring not appropriately planned to attend to essential and critical parts of the work; CPI monitoring reports are technically weak for civil works; engineers do not have full command in review of design, vision to understand the ground situation and in-depth experience of execution and monitoring of projects.

Conclusion 6. Effectiveness of the GIZ component. Progress is accelerating after protracted delays. Quality of the outputs is very good, as witnessed in person during the field phase and as expressed by all government stakeholders. Progress mostly excludes the health sector for justified reasons. The forecast for achievement of the outputs by the end of the implementation time frame looks overly ambitious considering the COVID-19 context and the lack of NoC (even though parallel field implementation does take place). On that basis, and at the time of the evaluation (this can be revisited further down in 2021), the outputs are so far not likely to lead to the expected outcomes, or can at the very least not be assessed to have that potential: only 22% of expenditure has been incurred about one year before the end of implementation of a five year time line.

Conclusion 7. Effectiveness of the KfW component. (1) Progress of the work in the KfW-SRSP component is now mostly satisfactory, even though funds will not be spent by the end of the contractual implementation time frame. Under result 1 (social mobilisation), there are 13 indicators wherein progress against 9 out of 11 indicators is satisfactory and on-track. Under result 2 (CPIs), there are 5 indicators for CPIs; targets are not fixed for 4 indicators but left flexible as per community needs. Under result 3 (livelihoods), 100% targets on 3 indicators are achieved but has a backlog on a few others. (2) The social mobilisation approach has empowered communities and enhanced incomes of beneficiaries, but at the same time the training impact is constrained by socio-cultural and security issues. SRSP's training strategy is not informed by its experience and best practices in other projects wherein training through mobile training units (vehicles equipped with educational and training material) to remote villages enhanced outreach of training. Village Development Plans are not developed. Communities are effectively involved in overseeing CPI schemes. Quality assurance of social mobilisation by the monitoring consultant is not effective. CBOs have forged effective linkages. (3) Community Physical Infrastructure component: Smaller schemes have better quality than larger and complex schemes. There is a deficit of due diligence with respect to quality of construction, SoPs are not adhered to and that as such quality assurance is compromised. Technical backstopping and monitoring are weak. The CPI record at community and SRSP is well maintained; record keeping by communities is satisfactory. There is 100% achievement against indicators of completed infrastructure schemes that are functional

Conclusion 8. Sustainability of the GIZ component is mostly good to excellent, with financial/budgetary allocations by the provincial government acquired (to be followed by availability of those funds in the field, which is an additional step to be made), and with the technical assistance being absorbed effectively by the government stakeholders. While capacity in the target districts is low at the start, the most ardent difficulties going forward can be expected at district level.

Conclusion 9. Sustainability of the KfW component. (1) The policy environment of government is conducive towards the sustainability of community-based organisations. Community networks are participating within the government's larger 'Khuli Kacheri' state-citizen dialogue forums. The 'Manager Conferences' have the capacity to continue engaging with government line departments for an expanded development agenda after closure of the project. (2) Smaller CPI schemes are more sustainable than bigger schemes. The savings of communities are less than the mandated 3% project costs for its maintenance. (3) There is neither an exit strategy for the project as a whole or a 'participatory exit strategy' for individual schemes.

8 RECOMMENDATIONS

The recommendations are presented **in order of time-sensitivity**.

@ conclusion 1. Dest.: EUD/KfW/GIZ. There is no need for further changes to the log frames of both components. This has been done to the extent that both now reflect the context that changed between design stage and current implementation stage. No action required. However, all values need to be updated (baselines, targets and current values)(the data are not consistently up to date).

@ Conclusion 3. Dest.: GIZ. Priority: immediate / February 2021 (for reporting on 2020 activities). (1) Clearly identify the implementation mechanisms governing sub-contractors. (2) Restrict EUD reporting to exclusively those activities that are funded by the EU/BMZ contract, while removing activities that are funded by other donors. (3) Provide more level of detail on sub-contracting (budget line financing agreements/grants) in the financial reporting, corresponding to the respective contracts funder under said budget line.

@ Conclusion 4. Dest.: KfW/AiD. Priority: immediate. (1) Clarify roles and responsibilities between Project Executing Agency SRSP and the Monitoring Consultant AiD to reflect the need to avoid the monitoring contractor from being involved in implementation. Change contractual provisions to this extent, and implement changes in field work.

@ Conclusion 4. Dest.: EUD. Priority: immediate. For future contracts, from a technical/management perspective, it would be better to have a single contract for the implementation of the action.

@ Conclusion 4. Dest.: EUD/KfW/SRSP. Priority: immediate. Request a no-cost extension of (1) Financing Agreement DCI-ASI/2015/037-860. Initiative to be taken by SRSP, request to be made by KP Provincial Government. Revisit the intervention logic in line with the changed context. (2) After signature of said extension, process a no-cost extension of Delegation Agreement ACA/2016/379-850. (3) Formulate a comprehensive and ambitious gender strategy.

@ Conclusion 3. Dest.: EUD/GIZ. Priority: immediate. Consider allocating the 500,000 € un-spent envelope for additional activities in 2021 within the framework of the overall objective of the Financing Agreement, e.g. in the field of elections (such as, but not limited to, awareness raising, civic education, electoral sensitization, capacity building of district officials, and capacity development in all result areas including governance, dialogue health and education) or COVID-19 protection and prophylaxis (vaccinations). (2) Formulate an action plan for the health component, including implementation modalities. (3) Submit a no-cost extension request if BMZ agrees with same, with a revised budget and an intervention logic that reflects the changed context.

@ Conclusion 4. Dest.: EUD/KfW. Priority: immediate. Improve AiD monitoring performance by (1) developing a clear, feasible, effective and cost-efficient monitoring strategy, including better planning, a follow-up mechanism and increased frequency of visits; (2) enhance gender monitoring; (3) relocate monitoring experts to the target districts; (4) provide technical training to AiD monitors; (5) hire field-experienced experts; (6) enhance monitoring of social mobilization, possibly by hiring social experts with monitoring expertise.

@Conclusion 5. Dest.: EUD/KfW. Priority: immediate. Revisit the ToRs of the Monitoring Consultant. Define the field monitoring visits as per critical stages of implementation rather than the current practice.

@ Conclusion 7. Dest.: KfW-SRSP. Priority: immediate.

Allow SRSP to go ahead with its plan of delivering training in remote villages through mobile training units by buying equipped vehicles under the capacity building budget.

@ Conclusion 7. Dest.: KfW-SRSP. Priority: immediate. Ensure better quality assurance of construction works to alleviate the deficit of due diligence with respect to quality of construction. Enhance compliance by the communities with the SoPs.

@ Conclusion 9. Dest.: KfW-SRSP. Priority: to be done at start of last year of implementation. Formulate an exit strategy for the project as a whole and 'participatory exit strategies' for individual schemes (the latter must be done with the Maintenance Committee while the scheme is ongoing and the timing is therefore scheme-wise and on an on-going basis).

@ Conclusion 3. Dest.: GIZ/EUD. Priority: half-2021. (1) After decision by BMZ on future funding for its co-funding part in the first half of 2021, consider a no-cost extension if so requested by GIZ. (2) Consider additional activities in 2021 within the framework of the overall objective of the Financing Agreement, e.g. in the field of elections (such as, but not limited to, awareness raising, civic education, electoral sensitization, capacity building of district officials) or COVID-19 protection and prophylaxis (vaccinations). Take into consideration the changed context.

@ Conclusion 2. Dest.: EUD. Priority: long-term. In future Financing Agreements, where multiple projects under separate contracts are designed to collaborate, clearly stipulate collaboration and synergy modalities.

@ Conclusion 2. Dest.: EUD/government counterparts/implementing partners. Priority: long-term. In future contracts, whether with one or more contracts and implementing partners, systematically follow strategic management standard practice by convening Steering Committees with decision making power. The authority to convene such meetings varies, hence recommendation destined to all.

@ Conclusion 4. Dest.: EUD. Priority: long term. For future financing agreements, prioritize direct contracts with well-established Pakistani organizations without passing through EU based structures.



