

Country Assistance Evaluation of Pakistan

– Summary –

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by

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Preface

This report summarizes the results of “the Country Assistance Evaluation Report for Pakistan” commissioned in the fiscal year 2003 by the Ministry of Foreign Affairs of Japan.

Pakistan is in a geopolitically important location in terms of stability of the South West Asia region. Over the past few years, between Japan and Pakistan, there have been positive diplomatic initiatives which include exchanges of visits by the Heads of States, such as the visit of Japan’s Prime Minister, Mr. Yoshiro Mori, to Pakistan in July, 2000 and the visit of Pakistan’s President, General Pervez Musharraf, to Japan in March, 2002. Pakistan has been one of the primary recipients of Japanese ODA, and for Pakistan, Japan has traditionally been a major donor country. Moreover, Japan has been a major trading partner of Pakistan. High-ranking authorities and officials of Pakistan have, time and again, been appreciative of the contribution made by Japanese ODA to the economic development of Pakistan.

Given such a general background, this evaluation has been carried out with a view to making a comprehensive analysis and assessment of the Basic Policies of Japan’s ODA for Pakistan, and further making recommendations that could be taken into account when formulating Japan’s Country Assistance Plan for Pakistan in the future. The Research activity consisted of a research in Japan and a field survey in Pakistan, which was carried out from September 26 through October 15, 2003, and involved data analysis, interviews with the authorities concerned both on the Japanese and Pakistani sides, as well as visitations of the project sites.

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We would like to note, with gratitude, that during the process of our evaluation work and preparation of this report, valuable advice and expertise in the fields of economics, development policy, economic infrastructure building, ODA evaluation and other matters have been extended to the Evaluation Team from the following persons:

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We are extremely grateful that in the process of carrying out this evaluation, we have been able to rely heavily upon the officers and staff concerned of the Research and Planning Division of the Economic Cooperation Bureau and other related Divisions of the Ministry of Foreign Affairs, Japan International Cooperation Agency (JICA) and Japan Bank for International Cooperation (JBIC) for guidance and assistance. Our profound gratitude also goes to the officers and staff concerned of the Embassy of Japan in Pakistan, the JICA Office and the JBIC Office in Pakistan, Ministries and Agencies concerned of the Government of Pakistan, as well as international aid organizations that are operating in Pakistan for the substantial cooperation they kindly extended to us.

Finally, we would like to add that the IDCJ is wholly responsible for the substance of this Report and that any opinion or view expressed in this Report reflects neither that of the Government of Japan nor that of the Ministry of Foreign Affairs.

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Basic Policies of Japan’s ODA for Pakistan ~ Priority Areas ~

Summary

1. Objectives and Method of Investigation of the Country Aid Evaluation

1.1 Objectives of the Evaluation

This evaluation aims to present proposals and recommendations as reference to be used for the formulation of Japan's Country Assistance Plan for Pakistan and for a more effective and efficient aid implementation as well as to ensure accountability by publicizing the evaluation results.

1.2 The Object of Evaluation

This country aid evaluation covers mainly the Basic Policies of Japan's ODA for Pakistan (drafted in 1997) being the most representative of Japanese aid policies for Pakistan and basically covers the period from 1996, when the said policies were being formulated, through June 2003. However, the verification of aid effectiveness covered projects implemented during the period from the 1997 fiscal year to the 2002 fiscal year, including projects whose implementation was decided upon before the 1996 fiscal year.

1.3 The Method of Evaluation

This evaluation report has been prepared through a series of procedures involving the identification of the objects of evaluation, development of the framework of evaluation and studies both in Japan and Pakistan, and final analytical work. In carrying out this evaluation, a framework chart including evaluation criteria, indicators, data information and data sources has been set up. On the basis of this framework, the Basic Policies of Japan's ODA for Pakistan were reviewed from three aspects, i.e. "objectives," "process," and "results."

With respect to the "objectives", the consistency of the Basic Policies of Japan's ODA for Pakistan with Japan's ODA upper policy (i.e., the ODA Charter and the Medium-Term Policy on ODA), consistency with Pakistan's development needs (i.e., Pakistan's successive national development plans, more particularly the 8th Five Year Plan of 1993 and the Poverty Reduction Social Plan etc.) were verified. And thus, the relevance of its objectives was evaluated. Comparison with major donors' aid policies has been also attempted to the extent possible.

With respect to the "process", verification was carried out (1) in terms of "the

appropriateness of the formulation and implementation processes” and (2) in terms of “the effectiveness of the implementation process.” As for the former, it was verified whether the Basic Policies of Japan’s ODA for Pakistan were formulated properly, and whether the said Basic Policies were fully reflected in the aid implementation plan and country aid programs for Pakistan of Japan International Cooperation Agency (JICA) and Japan Bank for International Cooperation (JBIC) (which are both Independent Administrative Institution) and whether these functioned properly as policy guidelines in the implementation process. As for the latter, it was verified whether the Basic Policies of Japan’s ODA for Pakistan were efficiently implemented in the implementation process with good coordination among the Japanese aid implementation organs and other donors and whether aid-accepting system was well established.

With respect to the “results” (effectiveness), the overall verification was attempted by taking into account the performance record of Japanese aid implemented under the Basic Policies of Japan’s ODA for Pakistan for each priority sector (sub-sector), along with the results of the projects and trends of major economic indices during the period of evaluation in question, as well as, to the extent possible, trends in other donors’ aid performance and in Pakistan’s development budgets. However, since target figures for each priority sector had not been established in the process of formulation of aid policies, it proved to be impossible to measure the degree of achievement against these target figures. In addition, major social and economic indices are not always available in Pakistan. Therefore, the present evaluation was based only on a limited amount of available data. Furthermore, as regard to the long term effects of specific aid projects implemented in various sectors, no full verification could be made because of the difficulties involved in proving causality due to various externalities affecting the whole process from aid input to the emergence of effects. And because of the measures taken in the wake of the nuclear tests conducted by Pakistan in May 1998, the extension of yen loans and grant aids was in principle, suspended, with the exception of those with emergency and humanitarian purposes as well as grass roots grant aid. It can be assumed that this fact substantially affected the implementation of the Basic Policies of Japan’s ODA for Pakistan.

2. The Results of Evaluation of the Basic Policies of Japan’s ODA for Pakistan

2.1 Overall Evaluation of Appropriateness of the Objectives

(1) Consistency with ODA upper policies

It has been confirmed that the contents incorporated into the “the Priority Sectors”

and “the Points to be Noted” in the Basic Policies of Japan’s ODA for Pakistan are consistent with the basic philosophy of the former ODA Charter as well as with the Priority Issues and Sectors of the Medium-Term Policy on ODA. Japan’s Country Assistance Plan for Pakistan, which is to be formulated shortly, would require maintaining sufficient consistency with its upper policy, namely the new ODA Charter which was formulated in 2003, taking into account of environment surrounding the development in Pakistan.

(2) Consistency with Pakistan’s national development plans

It became evident that the four Priority Sectors in the Basic Policies of Japan’s ODA for Pakistan, namely “social sector,” “economic infrastructure building,” “agriculture,” and “environmental conservation,” sufficiently concur with development needs envisaged in Pakistan’s 8th Five Year Plan (1993-1998) and SAP (1993-1998) which were in operation when the said Basic Policies was drafted. On the other hand, although all the Priority Sectors of the Basic Policies of Japan’s ODA for Pakistan are covered by PRSP announced in May 2003, the promotion of small and medium enterprises which is on the PRSP agenda is not covered by the Basic Policies of Japan’s ODA for Pakistan. Moreover, the Basic Policies of Japan’s ODA for Pakistan lacks any integral approach to support the development of water resource sector, a sector to which Pakistan has given great importance lately.

(3) Comparison with aid policies of major donors

Like Japan, major donors, including international organizations, give priority to aid in the sectors of education and health, while few of them give priority to aid in the sectors of “economic infrastructure building” and “agriculture”. On the other hand, many donors emphasize “strengthening of governance” and “rural development,” which are not covered by the Basic Policies of Japan’s ODA for Pakistan.

2.2 Overall Evaluation of Appropriateness and Efficiency of the Formulation and Implementation Processes

(1) Appropriateness of the Formulation Process

Due to the elapse of more than 8 years, no detailed information could be obtained other than to confirm that the Basic Policies of Japan’s ODA for Pakistan was formulated through consultation by the relevant Divisions of the Ministry of the Foreign Affairs and that subsequently the said Basic Policies were consulted with the Pakistani authorities in respect of Priority Sectors and other issues when the Comprehensive Study Mission for Economic Cooperation was dispatched to Pakistan for this purpose.

(2) Appropriateness of the Implementation Process

When the projects adopted and implemented during the period of evaluation were examined in terms of scheme categories such as loan aid, grant aid, technical cooperation projects (including the old project type technical cooperation) and development research, it was obvious that almost all of them fell under the category of the Priority Sectors of the Basic Policy of Japan's ODA for Pakistan. Likewise, the JICA Country Project Implementation Program is in line with the priority sectors referred to in the Basic Policy of Japan's ODA for Pakistan. Therefore, on the side of Japan, it has been confirmed that the Basic Policies of Japan's ODA for Pakistan was properly reflected in the formulation and selection processes of projects. Moreover, it has been confirmed that the Points specifically noted in the Basic Policies of Japan's ODA for Pakistan have been appropriately reflected in the implementation process. Besides these findings, during this Evaluation exercise, the existence of any system of verification for the Basic Policies of Japan's ODA for Pakistan including the revision of such Policies was not identified.

(3) Efficiency of the Implementation Process

It has been confirmed that there were cases in the health and education sectors where implementation of project type technical cooperation, among others, have contributed to human resource development and hence to the improvement of project implementation capacity on the part of Pakistan's implementing organizations. As regards to the linkage of aid schemes, efforts to establish linkages among grant aid, loan aid and technical cooperation schemes have been observed in sectors such as maternal and child health (between grant aid and technical aid) and education (between loan aid and technical cooperation). Viewed in this light, it can be concluded that efforts to efficiently implement aid projects have been made by assisting implementing organizations in improving their project implementation capacity and establishing linkages between aid schemes.

It was confirmed that technical cooperation is highly credited by the side of Pakistan, especially in the area of health. Although there are Priority Sectors where technical cooperation have not been used sufficiently, in the area of environmental conservation, for example, the way is being paved in Pakistan for Japan to be able to contribute with technological cooperation. Looking into the trends in each scheme of technical cooperation, we see that the numbers of trainees accepted and Japan Overseas Cooperation Volunteers dispatched is increasing and from the 2001 fiscal year onward, the Senior Volunteers Dispatch System has been operating. Despite the imbalance

among sectors, it can be summarized that, on the whole, efforts to introduce Japan's technical cooperation has been made.

With respect to collaboration among donors, meetings of various kinds among donors (sector wise, theme wise and project wise) are being organized and these meetings have been attended on behalf of Japan by the local ODA Task Force. The Pakistani Government, since 2001, for its part, has taken certain initiatives for collaboration with donors at the Federal Government level as exemplified by the convening of annual Pakistan Development Forums. However, so far, there has not been enough systematic initiative of this kind for such collaboration at the Provincial Government level. As visible examples of donor coordination, we can cite the implementation of a grant aid project relating to inoculation against polio and tetanus for new born babies together with UNICEF and WHO, as well as the collaboration with ADB and the World Bank in the construction of hydropower stations and drainage program. On the other hand, during the period of evaluation, over 40 projects were formulated and implemented through the Japan Special Fund (JSF) within the World Bank and ADB. However, in the formulation process of these Japan Special Funds projects, there was no approach for consultation with the Japanese side from the World Bank/ADB side. Therefore, it was difficult to establish collaboration in conjunction with Japan's aid policy for Pakistan. As regard to the collaboration with NGOs, it can be concluded that efforts have been made to the extent possible to make aid projects more efficient.

Hearings have indicated that Pakistan's institutional setting for aid acceptance is far from being sufficient. For example, Pakistan's level of understanding of Japan's aid schemes becomes poorer as they go down gradually from implementation authorities of the Federal Government to Provincial Government. The need for capacity building at the administrative level has been pointed out both by the Government of Pakistan (including Provincial governments) itself and by other donors. As it is evident in the fact that the Core Project Management Unit (a management unit that would become the center of individual project management entities) was created within the Pakistani Government as a result of the ADB's work on the Federal Government on Pakistan's project implementation capacity and ownership, the Pakistani side has made efforts to improve the institutional setting for aid acceptance.

Well before the local ODA Task Force was set up in April, 2003, an institutional framework for information sharing and other forms of collaboration had been in place among the Japanese Embassy, the JBIC Branch Office and the JICA Country Office,

and such coordination among all the Japanese concerned parties has contributed to the establishment of an aid acceptance system. Viewed in this light, it can be concluded that positive efforts have been made to enable the local institution for aid project implementation to function more efficiently.

2.3 Overall Evaluation of the Effectiveness of Results

(1) Education

As regard to Japan's assistance in the education sector, since such assistance is limited from a geographical point of view and since a part of the project relevant to this sector is still under implementation, establishing connection between the results of Japan's assistance during the period of evaluation and nationwide improvement of level of education is rather difficult. However, the Project for Improvement of Primary Education in the North West Frontier Province has resulted in the growth of the number of elementary educational facilities as well as in the number of enrollment in elementary schools in the period from 1997/98 to 2001/02 that surpassed the nationwide average. Therefore, it can be considered that Japan's assistance has contributed, to a certain extent, to the improvement of the conditions in elementary education and to the promotion and encouragement of education for girls in the North West Frontier Province.

(2) Health Care

Japan has provided grant aid since 1996 for the nationwide Polio Eradication Program and it can be presumed that it has contributed extensively to the reduction of polio cases in Pakistan, but mortality rates of infants and children under the age of 5 during the period of evaluation have not changed. Thus, it can be concluded that the positive effect of the Polio Eradication Program on the improvement of infant mortality rate is limited. From the fact that maternity death decreased from the level of 334 per 100,000 in 1998 to 246 by the year 2000 in the rural villages in the Metropolitan Area where the Maternal and Child Health Project (a technical cooperation project) had covered, it can be inferred that this Project has made a certain degree of contribution. Thus it can be considered that Japan's assistance in the health sector has yielded certain positive results, but since nationwide assistance has not been implemented, with the exception of grant aid for polio vaccines, it was difficult to measure its overall effectiveness.

(3) Improvement of Habitation Environment

Based on the fact that water supply situation in the City of Islamabad has improved dramatically due to the Metropolitan Water Supply Project (Simly) that was implemented by Japan's loan aid, it can be considered that the results of Japan's assistance has contributed to the increase in population who has access to safe water during the period of evaluation. On the other hand, in Pakistan, implementation of water supply maintenance by the Government is limited and in many cases securement of water resources for living lies in the hands of individuals, and therefore it could be estimated that small scale water supply services and public health facilities that were implemented through Japan's Grant Assistance for Grass-roots Human Security Projects have been effective in Pakistan to a degree.

(4) Power

Although Japan has assisted Pakistan in financing the Ghazi Barotha Hydro Power Station Construction Project, the Gudu-Sibi-Quetta 2nd 220kV Transmission Line Construction Project and the Bin Kasim Thermal Power Station No. 6 Plant Construction Project (loan aid projects), it was somewhat difficult to assess quantitatively the concrete effect of Japan's aid projects in terms of social and economic indices, due to the fact that the lower water level brought about by the drought continuing ever since 2000 has resulted in the decline of nationwide production of power. However, it can be assumed that decline of power production would have been severer if it were not for Japan's assistance. On the other hand, in the area of rural village electrification, Japan obtained results in 5,977 rural villages. Taking into consideration that during the period of fiscal year 1995/96 to 2000/01, 9,434 rural villages have been electrified nationwide, it can be said that Japan's assistance has accounted for a large portion in the area of Pakistan's rural village electrification.

(5) Transportation

With respect to the transportation sector, developmental effects can be seen in the total extension of roads and in the rate of pavement and it can be considered that the Indus Highway Construction Project and the Kohat Tunnel Construction Project financed by Japan's loan aid have contributed to these developments. As regards to the railway transportation sector, although the total railway extension length has been curtailed and the locomotive engines and cargo wagons have declined in numbers, these are reflections of the trend in Pakistan which is undergoing a shift from railway to roadway transportation, and it can be speculated that without Japan's assistance, such decline would have been greater. In fact, local authorities have pointed out that Japan's

ODA project on railway signals has contributed to the improvement of railway system's safety and reliability. The Government of Pakistan continues to place railway system as an important means of transportation, and thus it is envisaged that the results of Japan's assistance through loan aid in the railway transportation sector would appear in the years to come.

(6) Irrigation and Water Resources Management

It was confirmed that the Punjab Underground Water Development Project (grant aid project) has contributed to irrigated agriculture in the targeted districts, however, its effects have not appeared as a change in the nationwide gross irrigated agricultural land and agricultural production because of the effect of drought. In addition, since Japan's assistance in the field of irrigation has been geographically confined to certain areas, it is difficult to spell out the overall effectiveness of Japan's ODA in this sector.

(7) Agricultural Research

It is difficult to measure the immediate effects of projects such as the Plant Genetic Resources Conservation Institute Project (technical assistance) and its aftercare project, which followed the construction of lab facilities and provision of equipments through grant aid scheme and, with the drought, the effects of such assistance has not been reflected as changes in the nationwide production of agricultural products. However, it is expected that such technical assistance projects will contribute to the improvement of plant breeding in Pakistan and thus have positive effects upon agricultural productivity in the future.

(8) Environmental Conservation

In the area of urban environment, it has been identified in the field survey that the introduction of the city garbage collection facilities using mobile containers that was carried out in connection with the Project for Improvement of Environmental Conditions in Quetta City (grant aid) have contributed to the improved garbage collection services in the cities. Despite the fact that transfer of technology was conducted to a certain extent through dispatch of experts and acceptance of trainees, it must be added that it is somewhat difficult to assess the effectiveness of Japan's assistance on the overall picture of the sector, because the scale of Japanese aid projects has been limited and because there is not enough indicators related to the environmental conservation area in Pakistan.

3. Recommendations

3-1 Recommendation on the Structure and Priority Sectors of Japan's Country Assistance Plan for Pakistan

(1) Formulation of Japan's Country Assistance Plan for Pakistan in line with the principles of the New ODA Charter

It must be ensured that in drafting Japan's Country Assistance Plan for Pakistan, its contents must conform to the principles of the New ODA Charter in accordance with the statement in the said Charter (i.e., formulation of a consistent aid policy). In assisting the development efforts of Pakistan which is an important country for the stability in the South Asia region, the basic principles of the New ODA Charter (namely support for self-help efforts of developing countries, assurance of fairness and perspective of human security) and the priority issues (namely poverty reduction, sustainable growth, addressing global issues and peace-building) are important elements to be considered and these points should be fully reflected in Japan's Country Assistance Plan for Pakistan, which is to be formulated shortly.

(2) Formulation of a systematized Japan's Country Assistance Plan for Pakistan

While understanding the constraints inherent in the Japanese budget system, Pakistan's intention is to make a mid-term forecast of the size and scope of external aid and accordingly to formulate their development plan. Although Japan is expected, from the diplomatic point of view, to show not only to Pakistan but also to the international community its mid-term commitment through ODA to the stability of the South Asia region, the Basic Policies of Japan's ODA for Pakistan have failed to meet such expectation. In order to prevent Japan's Country Assistance Plan for Pakistan to become too diversified and lacking focus, it is desirable that the mid-term policy targets of Japan's aid be clearly indicated as "Pillar(s)" in the Plan. In order to achieve this target, highly related sectors supporting the "Pillar(s)" should be defined as the "Priority Sectors" or "Priority Issues". Further, "Cross Sector Themes" that stretch over various sectors should be established as well. It is desirable that all these elements be consolidated into an objective chart and indices (including qualitative indices) be established to enable to measure the status of target achievement.

(3) Defining Priority Sectors (Issues) and Cross Sector Themes

The four priority sectors in the Basic Policies of Japan's ODA for Pakistan (namely: social sector, which includes education/health/water supply; improvement of economic infrastructure, which includes power/transportation; agriculture, which includes

irrigation/agricultural research; and environmental conservation) continue to be in conformity with the development needs of Pakistan. Therefore, it is desirable to take over and retain these priority sectors, with the exception of environmental conservation which should be treated as one Cross Sector Theme. Likewise, so far, under the Basic Policies of Japan's ODA for Pakistan, aid in the area of water has been dealt with as part of aid in the social sector and in the area of agriculture. However, given Pakistan's high expectation on Japan's aid repeatedly expressed in meetings such as the Pakistan Development Forum held over the past few years, it may be worthwhile adding the water sector as one separate and independent priority sector. As well, since the issue of promotion of small and medium enterprises is one of the priority policies of Pakistan, and viewed in the light of promoting economic growth, it may be worth considering the addition of promotion of small and medium industries as another priority sector. Nevertheless, further bilateral adjustment efforts may be needed between Japan and Pakistan in order to narrow the gap still existing between the Japanese approach of transferring technology and know-how and Pakistan's expectation and desire to obtain micro finance. Furthermore, with respect to Cross Sector Themes, in addition to environmental conservation, it will be appropriate to independently itemize the issues of "Gender", "Governance and Capacity Building that Respond to the Needs of Devolution" (a theme taken over and evolved from the Pointed Noted in the Basic Policies of Japan's ODA for Pakistan), and "Mainstreaming of the Environment Protection Awareness" which is one of the development objectives of I-PRSP.

(4) Creation of monitoring and evaluation systems for Japan's Country Assistance Plan for Pakistan

Throughout the period of implementation of Japan's Country Assistance Plan for Pakistan (approximately 5 years), in order to provide effective and efficient aid in accordance with this Plan, it is important to create a monitoring and evaluation system for the Plan. For example, each year the local ODA Task Force could verify the status of the implementation of the Japan's Country Assistance Plan for Pakistan, focusing on the status of formulation of projects for each priority sector, the status of projects being implemented and actual conditions relating to the points to be noted in the implementation of projects, and could send the report to Tokyo, where, as a follow-up work, representatives of the Task Force for the Formulation of the Japan's Country Assistance Plan for Pakistan, the Ministry of Foreign Affairs, JICA and JBIC personnel would get together as the Study Meeting on Aid for Pakistan (tentatively so named) to review the status of the Plan's implementation. Subsequently, the results would be reported to the Ministry of Foreign Affairs, JICA and JBIC. At the time when the

Japan's Country Assistance Plan for Pakistan marks the beginning of the fourth year after its formulation, a Country Evaluation (Third Party Evaluation) could be conducted on the Plan from a comprehensive perspective so that the results and recommendations of such evaluation would be used to revise the Plan. Such monitoring and evaluation system as described here should be preferably clearly indicated in the future Japan's Country Assistance Plan for Pakistan.

3-2 Recommendations for Implementation of Aid for Pakistan

(5) Supporting capacity building at the local government level

At present, PRSP is being regarded as a central development plan on the side of Pakistan. In successfully implementing PRSP, development assistance on Pakistan's capacity for project formulation and institutional implementation is required in order to prevent the failure of SAP from being repeated. Devolution is in progress in Pakistan but the administrative capacity at the levels of Districts and Unions have not been fully developed. Under these circumstances, the insufficiency of development project formulation capacity, not to mention capacity for financial management, control and monitoring, is being highlighted. Devolution means transfer of power to the levels of Districts and Unions. However, Japan's loan and grant aid projects often stretch over two or more Districts and in these cases, Provinces are responsible for the formulation and implementation of projects, and therefore, it is at the level of Provinces that capacity building needs to be addressed. Given this fact, it is essential for the Japanese side to assist Pakistan in capacity building for project formulation and implementation, mainly at the Province level and if necessary at the District and Union level, including the preparation of PC-1 and PC-2 forms which are required for project formulation procedures on the side of Pakistan.

In terms of the effective approach dealing with local government, firstly, development needs in the targeted region must be fully grasped. Then, a comprehensive and cross sector program designed to promote regional development conducive to poverty reduction envisaged by PRSP could be tentatively formulated, respecting ownership on the part of Pakistan. Subsequently, in the process of formulating and implementing each project incorporated into the program, the provision of capacity building assistance to the officers concerned in the Provinces and Districts can be considered. In this connection, as policy tools, it is worth considering the composite utilization of the new dispatch of Project Formulation Advisors, trainees having attended the Special Country Training Course entitled "Regional Administrative Service", counterpart funds and aid efficiency promotion funds. The Project Management Unit (PMU) set up by the

Pakistani Government with budgetary appropriations with a view to improving project implementation capacity is also worth considering.

(6) Improvement of collaboration with the World Bank and ADB

As for the handling of projects in Pakistan funded through Japan Special Funds set up within the World Bank and ADB (namely the World Bank's PHRD and JSDF as well as ADB's JSF and JFPR), there are room for improvement. Measures should be taken so that the authorities concerned in Pakistan are well informed through the World Bank and ADB of the fact that these funds are part of Japan's contribution. By the same token, in order to ensure their consistency with Japan's aid policies, both the World Bank and ADB should be requested to keep in close touch with the Japanese side (the local ODA Task Force) right from the early stage of project formulation.

(7) Promoting the harmonization of aid procedures

The EAD, which serves as a negotiation channel for external aid, is considered to have a reasonable stock of information on Japan's ODA mechanism and procedures. However, among other Ministries and Agencies, implementing organizations and Provincial Governments, this knowledge is not sufficiently shared. Therefore, for an effective and efficient aid implementation, it is hoped that the information sharing on the side of Pakistan is promoted through workshops jointly hosted by organizations such as local ODA Task Force and EAD. In organizing such workshops, there could be involvement by other donors, and thus provide opportunity for all the donors concerned to make common efforts toward harmonization of aid procedures among themselves. Furthermore, in order to cope with the growing ODA related workload including those related to local government, measures should be urgently taken for institutional reinforcement of the local ODA Task Force including further harmonization of aid procedures on the Japanese side and staff recruitment in JBIC and JICA.

Basic Policies of Japan's ODA for Pakistan ~Priority Areas~

Annex

