

# GOVERNMENT OF AZAD JAMMU AND KASHMIR



LOCAL GOVERNMENT & RURAL DEVELOPMENT DEPARTMENT

Rural Water Supply, Hygiene & Sanitation Programme  
for  
Azad Jammu & Kashmir State

PC – IV

SEPTEMBER, 2001

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**GOVERNMENT OF PAKISTAN**  
**PLANNING COMMISSION**  
**FORM PC-IV**

**FORM FOR SUMMATION OF COMPLETION REPORT ON DEVELOPMENT PROJECTS**

To be submitted on the physical completion of the projects regardless of whether or not the accounts of the project have been closed

1. Name of the Project: Rural Water Supply, Hygiene and Sanitation Program for Azad Jammu and Kashmir State
  
2. (a) Administrative Authority Responsible for:
  - i) Sponsoring Local Government and Rural Development Department (LGRDD) and the Rural Communities
  - ii) Execution LGRDD and the Rural Communities
  
- (b) Central Ministry Concerned with:
  - i) Sponsoring Kashmir Affairs and Northern Areas
  - ii) Execution -----do-----
  
3. (a) Date of Actual Commencement of the Project July 1991
  
- (b) Date of Actual Completion of the Project June 2000
  
- (c) Period of Completion of the Project as originally planned July 1990 to June 1998
  
4. Project History

**Preamble:** The project was conceived and identified in 1988-89. Its preparation process was initiated in late 1989. The documents of PCI and Staff Appraisal Report were produced in early 1991. The project was one part of the umbrella project principally financed by the International Development Association (IDA). Under the umbrella project the other two parts were of the provinces of Sindh and Baluchistan. Major emphasis of the AJK part of the project was focused on the community based rural water supply and related services. About 74% project cost estimates were for physical works comprising water supply schemes, school latrines and private household latrines. About 26% project cost estimates were earmarked for institutional development. Institutional development component was spread over incremental staffing of the LGRDD, training and logistics support, community development including sanitation and hygiene education program, and consultancies etc.

Development Credit Agreement was signed with the IDA in July 1991 and the credit was made effective in July 1992. The IDA conducted the mid-term review of the project in late 1995. The performance of the project was got evaluated soon before its completion through the independent consultants. The evaluation report concluded that performance had been satisfactory vis-à-vis the objectives. The IDA did another evaluation of the project after completion of the project. The IDA has issued this report named the "Implementation Completion Report" (ICR) in February 2001. The ICR also rates LGRDD's performance as being "**Highly Satisfactory**". Overall performance of the AJK part stands prominent among other parts of the umbrella project. However, the project

could not achieve desired level of institutional development because of administrative constraints. More details of the project are being discussed in the following paragraphs.

a. Financial Information

(1) Financing Million PKR (Million USD in Brackets)

	Financing		Period	
	Local	F/Credit	From	To
Sanctioned (PCI)	244.100 (10.386)	658.078 (28.000)	July 1991	June 1998
Actual	125.607 (3.040)	1105.561 (26.761)	July 1991	June 2001

(2) Foreign Credit Disbursements (Cumulative Percentage)

Year	Planned *	Actual	Remarks
1	1	0	The allocation was in the SDR and expressed in equivalent USD. SDR consumed are 19.253 million against an allocation of 19.730. Thus disbursement in terms of SDRs accounts to be 97.58 percent.
2	6	0	
3	18	1.735	
4	40	5.605	
5	62	16.954	
6	77	25.495	
7	88	41.633	
8	98	59.360	
9	100	80.880	
10	-	95.575	

\* Refers Disbursement Schedule of the Staff Appraisal Report.

(3) Project Costs - Currency (Percentage Proportion)

Currency	Planned	Actual
Local	74	90
Foreign	26	10

(4) Foreign Exchange Rates (Average Rate of one USD in PKR)

Year	Planned	Actual
1989-90	21.65	-
1990-91	21.95	-
1991-92	22.37	27.48
1992-93	22.80	30.10
1993-94	23.24	30.71
1994-95	23.60	32.39
1995-96	24.13	38.50
1996-97	24.13	42.48
1997-98	24.13	46.26
1998-99	-	53.33
1999-2000	-	56.60

## (5) Inflation Rates (In Percentage)

Year	Planned		Actual		Remarks
	Domestic	International	Domestic	International	
1990-91	8	6.5	10.58	4.5	Source: 1) Pakistan Statistics Division. For Domestic CPI. 2) For the USD obtained non- officially from W/Bank Islamabad office.
1991-92	7	6.5	9.83	2.23	
1992-93	6.5	6.5	11.27	2.3	
1993-94	6.5	4.5	13.02	2.3	
1994-95	6.5	4.5	10.79	2.3	
1995-96	6.5	4.5	11.80	2.3	
1996-97	6.5	4.5	7.81	2.23	
1997-98	6.5	4.5	5.74	2.23	
1998-99	-	-	3.58	1.50	
1999-2000	-	-	4.41	2.30	

## (6) Financial Phasing of the Project

Year	Phasing As per Last Revision *			Actual ADP Provision	Actual Amount Released	Actual Amount Utilized	Remarks
	Local	F/Credit	Total Local+ F/Credit				
				Local + F/Credit	Local	F/Credit	
1	14.426	38.900	53.326	4.350	2.500	1.850	Utilization above the ADP Provision could be made through use of the funds as were available in the Special US Dollar Account/ Credit Account of the Project.
2	19.794	53.367	73.161	61.868	39.000	22.868	
3	33.236	89.603	122.839	110.000	22.000	95.140	
4	29.656	79.952	109.608	87.000	22.000	64.792	
5	41.362	111.511	152.873	67.200	12.500	54.072	
6	33.528	89.644	123.172	80.000	20.000	203.978	
7	35.056	94.510	129.566	130.035	13.035	203.466	
8	37.215	100.329	137.544	135.714	14.214	232.888	
9	00	00	00	374.180	40.375	239.864	
10	00	00	00	142.080	00	142.080	

\* Calculations made from page No. 38 and page No. 69 of the PC-1

## (7) Investment on Works (Rupees in million)

District	Actual			Percentage of Total
	Civil Work	Eqpt. and Material	Total	
M.abad	23.093	206.568	229.661	23.61
Bagh	18.332	142.310	160.642	16.51
Poonch	18.503	122.196	140.699	14.46
Sudhnoti	7.346	35.335	42.681	4.39
Kotli	24.994	167.873	192.867	19.83
Mirpur	52.960	78.918	131.878	13.56
Bhimber	27.805	46.531	74.336	7.64
Total	173.033	799.731	972.764	100.00

b. Physical Phasing of the Project

(1) Rural Water Supply Schemes

Year	Schemes to be Completed	Population to be Covered	Schemes Completed	Population Covered *	Schemes Ongoing	Population to be Covered by Ongoing Schemes *	Remarks
1	32	12850					* Design
2	98	38670					Population
3	243	96690					for 10 Years.
4	243	96690					There is over-
5	243	96690	212	83825			achievement
6	243	96690	337	136248			of population
7	243	96690	383	182370			coverage tgt.
8	243	96690	307	207093			
9	243	96690	155	127933			
10	243	96690	62	72452			
Total	1588	631660	1456	809921	194	256553	
Say	1600	632000	1460	810000	200	257000	

(2) District-wise Breakdown of Water Supply Schemes

District	Schemes			
	Planned		Actual	
	Completed	Ongoing	Completed	Ongoing
Muzaffarabad	699	-	395	94
Bagh	255	-	307	16
Poonch	183	-	223	14
Sudhnoti	-	-	136	16
Kotli	320	-	266	26
Mirpur	131	-	60	17
Bhimber	-	-	69	11
Total	1588	-	1456	194
Say	1600	-	1460	200

(3) District-wise Breakdown of Water Supply Coverage.

District	Population (Design)			
	Planned		Actual	
	Completed	Ongoing	Completed	Ongoing
Muzaffarabad	157900		209004	95769
Bagh	130070		154256	25023
Poonch	101130		95194	16127
Sudhnoti	-		45637	13333
Kotli	155870		164425	28527
Mirpur	86690		57656	62020
Bhimber	-		83749	15754
Total	631660		809921	256553

(4) Latrines

Item	Target	Completed	Ongoing	Remarks
Demonstration	3200	930	58	Target was reduced to 1000.
Household	9700	7302	1454	Subsidy was discontinued.

5. Have the accounts for the project been closed? Not yet.  
If not, what amount is still unaccounted for? Rs. 16.66 million

6. No of Persons Employed

a. Consultants Man Months

Category	Planned Local	Foreign	Actual Local	Foreign
Team Leader	60	35	69	28
Extension and Hygiene Specialists	0	57	0	44
Engineers (Incl. Design Engineer)	192	55	112	34
Geologist/Hydrologist	12	0	0	10
Training Consultant	0	4	0	4
Finance/MIS Specialists	48	9	47	3
Short Term Consultant	0	10	0	21
Evaluation / Preparation Team *	0	0	30	0

\* Against Block Provision Consultants were engaged.

b. Project/Incremental Staff (Numbers)

Category	Planned	Actual
Addl. Project Director/SE	1	1
Accounts Officer	1	1
Deputy Project Director	0	2
Training Coordinator	0	1
Extension Specialist	0	1
Health Educator	2	1
Hydro geologist	0	1
Assistant Engineer	6	15
Extension Officer	6	7
Computer Operator	2	4
Senior Scale Stenographer/PA	0	1
Telephonist/Steno	0	1
Extension Worker	60	44
Overseer	0	36
Draughtsman	5	5
Accountant	1	2
Junior Clerk	7	7
Driver	13	14
Machine Operator	0	1
Peon/Attendants	13	15

Note: It was planned to transfer project staff on the non-development budget. In this regard no progress could be made despite the Govt. decision at a stage to transfer 101 posts on the non-development budget.

7. Benefits as reworked on the basis of actual costs  
(Give details of expected changes in recurring cost and benefits)

- a. Profit/Sale - Not Applicable  
b. Benefit/Cost Ratio - Not Applicable  
c. NPV - Not Applicable

d. ERR

As per estimates, almost 100,000 households in the rural areas would receive water supply under this project, leading to an average increase in consumption of 2.5 gallons per person and an average time saving from collecting water of 9 hours per household on each day, of which 10 percent is being allocated to income generating purposes. Based on these estimates the project would realize an ERR of 31 percent, being significantly higher than the appraisal estimate of 11 percent. The sensitivity analysis revealed that the results are highly sensitive to variations in the benefit stream, being primarily determined by the assessed hours of saved and avoided time for collecting water. When lowering the estimates of the time saving from 9 to 5 (appraisal estimate) and 3 hours per household per day, the ERR would drop to 13 and 3 percent respectively. The estimated allocation of timesavings towards income generation – 10 percent, assumed both during appraisal and for the Implementation Completion Report (ICR) calculation – is both conservative and likely to increase over time as opportunities for women's participation in income generation would develop on annuity basis over the year to come. The presented values for the ERR are therefore likely understated. Details of these calculations are given in the following table:

ERR : Refers The World Bank Report No. 21867

General	Appraisal	ICR		
		Worst	Medium	Best
Time Horizon	20 Years	20 Years	20 Years	20 Years
Prices in constant 1989 prices, converted by CPI	Yes	Yes	Yes	Yes
Standard Conversion Factor	1	1	1	1
Economic Cost (net of taxes)	Yes	Yes	Yes	Yes
Time savings (incl. Incremental consumption)				
In hours/HH/day	5	3	5	9
Women's wages (Rs./day)	Rs.11.2/day	Rs.11.2/day	Rs.11.2/day	Rs.11.2/day
Value of leisure (in percent of shadow wage)	In 19889 30%	In 19889 30%	In 19889 30%	In 19889 30%
Time allocation for income generation (%)	10%	10%	10%	10%
Institutional development cost included	Yes	Yes	Yes	Yes
Other cost included	No	No	no	no

e. Cost per unit service

(1) Water Supply Schemes (Av. Per Scheme Cost) Rs. Million

Population	Gravity Spring	Pumping Spring	Pumping Tubewell
< 250	0.080	0.367	0
250-500	0.469	0.677	0
500-750	0.422	0.624	0
750-1000	0.689	0.523	0
>1000	1.540	1.830	3.780

- (2) Consultancy and Training = 10 Percent of Total Project Cost.  
 (3) Vehicle, Office and Field Equipment = 1.7 Percent of Total Project Cost.  
 (4) Staff and other Overheads = 8.3 Percent of Total Project Cost.

f. Non-quantifiable benefits (in selected areas where the schemes are located)

- (1) Health benefits due to better service of water supply and sanitation.
- (2) Support to increase the school participation rate.
- (3) Training and orientation of departmental staff, water and sanitation committees, and rural schoolteachers.
- (4) Increased awareness of cleanliness, potable water, and community organization.
- (5) Women and girls were saved from drudgery of hauling water from long distances.

- (6) Schemes are operated and maintained by the communities and no O&M cost is transferred to the Government.
- (7) Generation of employment opportunity in the public and private sectors.
- (8) Poverty alleviation.

8. Specify any changes in scope or design of original scheme

- a. This was a program project hence lessons learned during implementation were benefited from; therefore suggested design was not entirely adoptable.
- b. Based on need and advice of the donors, number of project staff was increased, adjustments were made in the inputs of consultants, subsidy to private latrines was discontinued.
- c. Proposed state water working committee and district water working committee could not regularly meet.
- d. Community procurement was introduced and international competitive procedure was relaxed to allow for community participation in the procurement process.

9. Suggestions for planning and implementation of similar projects in future

- a. Preparation of estimates  
Project relates to social sector. Estimates may be framed by following the lesson learnt during previous and/or similar projects. Tangible and intangible outputs should be determined in design stage and a unit cost specified for them respectively. By adopting the analytical tools of the Log-frame (UK), Logical Framework (USA) and ZOPP (GTZ-Germany), estimation can be further improved.

a. Implementation of Project

- (1) Prevention of delays

Timely provision of resources. More empowerment of the implementing agency staff at operational level. Simplification of the project planning/implementation procedures. Accounting and auditing procedures should support implementation schedules.

- (2) Prevention of cost escalation

Liberal estimations. Adjustment of the cost overruns caused by the inflation effects should be automatically permissible.

c. Other suggestions

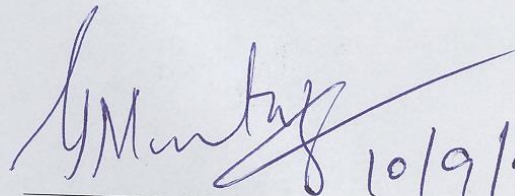
- (1) Tenure of the staff time inputs should be at least three years and project personnel who give decisions on important activities of the projects should remain in the project till completion of those activities.
- (2) Selection of the staff should be purely made keeping in view the objective needs of the project. Loading of the inefficient staff on the project should never be allowed. Gaps in the staff time inputs should be avoided. Staffs that deliver effectively and efficiently should be remunerated at competitive market rates.
- (3) Selection of the schemes/communities should be transparent and purely demand/need based.



- (4) Optimum authority of making decisions on implementation matters should be devolved to lower tiers of the organization.
- (5) Rules, procedures, guidelines, directives and instructions etc. should assist towards smooth planning and implementation. The legal framework of the project should be communicated to every concerned individual involved in the project cycle activities. The procedures etc., which are not in consonant with the community participation purposes, should be amended and relaxed.
- (6) Software parts of the project such as staffing, training, community development and organization, motivation and mobilization campaigns, health and hygiene education, and consultants' services should be given due importance. The physical targets and tangible things should not be overemphasized.

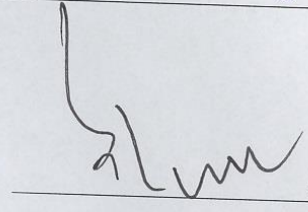
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