



External evaluation of the Sustainable Rural Development in the Refugee- Affected and Hosting Areas of Pakistan Programme

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VOLUME I

Final Report

December 2015



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ACRONYMS

ACD	Assistant Country Director
BRSP	Balochistan Rural Support Programme
CA	Contribution Agreement
CAR	Commissioner for Afghan Refugees
CCAR	Chief Commissioner Afghan Refugees
CMST	Community Management Skills Training
CNIC	Computerised National Identity Card
CO	Community Organisation
CPI	Community Physical Infrastructure
DC	District Commissioner
DCC	District Coordination Committee
DIM	Direct Implementation Modality
EAD	Economic Affairs Division
EU	European Union
EUD	European Union Delegation
FAO	Food and Agriculture Organisation
FTF	Federal Task Force
GBV	Gender Based Violence
GIS	Geographical Information Systems
GoP	Government of Pakistan
HA	Hosting areas
DIP	Internally Displaced Persons
IP	Implementing partners
IUCN	International Union for Conservation of Nature
KP	Khyber Pakhtunkhwa
LFA	Logical Framework Analysis
LMST	Leadership Management Skill Training
LSO	Local Support Organisation
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MIS	Management Information System
MTR	Midterm Review
NADRA	National Database and Registration Authority
NGO	Non-governmental organisation
NIC	National Identity Card
OVI	Objectively Verifiable Indicators
PCM	Project Cycle Management
PCOM	Project Cycle and Operations Manual
PMU	Project Management Unit
PPM	Provincial Project Manager
PSDP	Public Sector Development Programme
PTF	Provincial Task Force
RA	Refugee Affected Areas
RAHA	Refugee Affected and Hosting Areas
SAFRON	Ministry of States and Frontier Regions
SGBV	Sexual and Gender Based Violence
TNA	Training Needs Assessment
ToR	Terms of Reference
UC	Union Council

UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNHCR	United Nations High Commission for Refugees
VO	Village Organisation
WHO	World Health Organisation

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EXECUTIVE SUMMARY

The initial conception of the Refugee Affected and Hosting Areas (RAHA) programme had significant design flaws as the intervention logic did not match the reality in the field. These were not corrected and continued throughout the duration of the programme. These flaws relate to the complexity of the implementation mechanism, the joint UNDP-UNHCR operations, the geographic spread which, even without the security constraints, would be an insurmountable obstacle, the critical issues in community organisation and the targeting of the programme.

There was little or no strategic oversight from the national level. The Steering Committee did not convene and the Federal Task Force met only five times (three times of which were within one single year). All responsibilities were devolved to the Provincial Task Force. The lack of strategic management by the Steering Committee and Federal Task Force is the primary reason for failure of the programme with regards to targeting issues.

The targeting failure led to an absence of a common understanding by RAHA staff on what kind of interventions were eligible for implementation and in what geographic area, and, also, to the absence of contractually agreed criteria. The effective result was that as geographic targeting stopped at Union Council level, all villages within that level were eligible for interventions. Sectorial targeting was severely impacted by the criterion that the village committees themselves decided what kind of infrastructure works they wanted.

The capacity building that accompanied the implementation was sufficient for the local communities to gain some knowledge about project implementation, followed by some collateral training related to maintenance and repairs.

The selection of a multitude of micro-projects was evidently a deliberate choice, but implementation in more than 2,000 small communities is not manageable and, indeed, should not be tempted in future interventions. The Evaluation Team has been able to see only a very small fraction of the projects (and these under heavily scripted and managed visits) but has, nevertheless, identified significant operational flaws in monitoring. UNDP openly accepted that there were severe targeting, financial accountability and design issues on the occasion of the interim report submitted in June 2015 but did not formally object to any of them.

In essence, it is impossible to properly manage a project in such a geographic context, with security constraints complicating matters even more. The quality of monitoring at the provincial level could be improved. However, there are not enough human resources to physically review all projects that are being implemented by the communities despite of the Community Organisation (CO) capacity issues.

The financial follow-up by UNDP of all these small projects was completely unacceptable, with the organisation unable to provide credible financial expenditure data. Cost control mechanisms were either insufficient or inexistent. Even the most basic accounting principle of justifying the actual expenditure (the real cost), as opposed to cash flow (what communities have received by way of a

bank transfer) was not followed until this deficiency was identified during the Evaluation Team's first mission in June 2015.

Even after that time, the notion was still not clear to UNDP and financial reporting figures were totally inconsistent over time. Risks occurred at the level of the project identification and at the level of implementation of the projects in the communities. RAHA is a high-risk project with money transfers to community organisations that operate in, mostly, destitute geographic areas where the average project funding amount is the equivalent of life-time work earnings. The Islamabad level Steering Committee has failed to properly monitor the financial transactions bottom-down and continues to suffer from inability to provide figures that are methodologically correctly obtained.

During the construction phase, the quality control system was also insufficient or absent. Significant issues arose with regards to documentary evidence. Extensive discussions with UNDP on eligibility of expenditure linked to availability of documentation have taken place, with UNDP now being in the process of completing the files in the field.

The lack of suitable human resources available in the two provinces causes problems for project management. It is hard to select, recruit and retain competent personnel in these remote areas of Pakistan. The logistical challenges of getting these personnel in the projects that are being implemented by the local communities are daunting. These factors have adversely affected community building, management, monitoring and technical assistance. The Mid-Term Review severely criticised the project for not having enough competent staff. The Evaluation Team found that whilst the quality of human resources is mostly good, and in some cases excellent, there are not sufficient staff available to provide a continued field presence.

Community Organisation, as well as most of the field staff, did not have sufficient capacity for the preparation of the detailed design and cost estimates at formulation stage of the scheme or, indeed, for the financial management thereof.

The work can be said to be structurally safe and, thus, can be termed as acceptable, after correction of the flaws identified as a result of the Community Physical Infrastructure (CPI) monitoring visits.

This was achieved despite the security risks involved, the remoteness of the areas and the fact that the schemes were implemented by communities which were not trained in the use of acceptable engineering principles and practices.

It is impossible to assess impact of the programme in the absence of a relevant baseline. The increased number of small scale projects undoubtedly has a positive impact. Irrespective of whether they are all relevant to the project's objectives, a community will experience significant positive impact from having received reliable water supply, paved roads, solar energy and other interventions. However, it seems likely that higher level impacts have not been achieved.

Sustainability of the programme is likely to be good because the ownership at the various levels is profound and there is a clearly apparent dynamic of networking at the levels of village organisations and local support organisations (Village Organisation (VO) and Local Support Organisation (LSO)).

However, capacity building at community level has not reached such depths of sustainability and ownership. Significant efforts to guarantee sustainability have been undertaken towards the end of the project, with good prospects for success.

Several practical recommendations have been made for the financial closure of the project, all of which will have to be scrupulously followed up in order to avoid the contracting party from eligibility issues. UNDP has major financial accountability issues that it needs to address in the closing phase.

1. INTRODUCTION

1.1. Contractual References

Project title:	Sustainable Rural Development in the Refugee Affected and Hosting Areas of Pakistan (RAHA)
Implementation starting date:	1 July 2011
Implementation end date:	30 June 2015
Expected implementation end date:	31 December 2015
Implementation duration:	48 months, extended by 6 months - total 54 months
Total cost of the action:	40,735,000 EUR
Contribution by EC:	39,800,000 EUR

1.2. Objectives of the assignment

Global Objective: to provide factual reports on the activities carried out by the UNDP, with EU funds for RAHA.

Specific Objectives: to undertake a thorough, technical, practical evaluation of the activities implemented within the framework of the above-mentioned RAHA contract, focusing on the interim and final reports, but also looking at the overall picture of progress compared to the targets and objectives and how the EU contribution fits into the broader One UN / RAHA programme. This assignment should result in an objective and factual assessment of the degree of completion of the project's activities, as reported by UNDP.

1.3. Context

The Government and people of Pakistan have been hosting Afghans for over 35 years. While more than 3.9 million have voluntarily repatriated to Afghanistan since 2002, over 1.5 million registered Afghans remain in Pakistan, constituting the world's second largest displaced population as well as the largest protracted situation under UNHCR's mandate.

The 2005 Brussels Conference paved the way for the conceptualisation of Pakistan's Refugee Affected and Hosting Areas (RAHA) programme as a platform for bridging humanitarian assistance with long-term development. Launched in 2009 as a 5-year Government-led programme with financial support from several donor countries and the United Nations, RAHA seeks to:

- (a) increase tolerance towards Afghans in Pakistan;
- (b) improve social cohesion to promote co-existence;
- (c) provide both the host Pakistani communities and Afghans with development and humanitarian assistance, and
- (d) empower youth in assisting them to make their own decisions.

1.4. Preliminary comment on reported statistics

The statistics provided in this report were all provided by UNDP. Section 4.9 analyses the quality and reliability of the reporting. The lack of reliable factual data has been the greatest problem during this evaluation. Not only do figures often not add up (see details in section 4.9), but also, has it been extraordinarily hard to obtain consequent and coherent figures. Expenditure tables use different figures even when covering identical time periods. For example, the total number of CPIs was reported on 30 October 2015 to be 2,352. However, the totals of 2,356 and, even, 2,366 have been used. The Evaluation Team has decided, for the sake of uniformity and clarity, to keep to the figure of 2,352.

It has been incredibly difficult to obtain reliable and workable documentation in the field. This is in no doubt due, amongst other factors, to the large amount of micro-projects, but also – as extensively addressed in this report – to severe management deficiencies.

The Evaluation Team assumes no responsibility for factually and mathematically incorrect figures, and advises UNDP to present accurate and up-to-date figures to the EUD at the time of final reporting.

2. RELEVANCE

2.1. Coherence with the EC's development programme

The Refugee Affected and Hosting Areas programme (RAHA) is an initiative headed by the Government of Pakistan, implemented in twenty-eight districts – most of them in Balochistan and Khyber Pakhtunkhwa (KPK) provinces, but also in Sindh, Punjab, and the Federally Administered Tribal Areas (FATA). The EU-funded component only relates to Balochistan and Khyber Pakhtunkhwa. The programme has been developed to improve the standard of living of over one million Pakistanis who have been, or who are still, hosting Afghans and to maintain temporary protection space and enhanced community acceptance of Afghans in Pakistan who have the required documentation. It strengthens the Pakistan Government's governance and public service delivery and enhances social cohesion between refugee and host communities.

The action is **coherent with the European Commission's development programme**, as evidenced in the European Commission-Pakistan Country Strategy Paper (CSP) for 2007-2013, which was valid at the time of design and contracting of the action. The two target provinces, Balochistan and Khyber-Pakhtunkhwa (referred to in the CSP as North-West Frontier Province), are the primary beneficiaries of Focal Area 1 of the EC's response strategy, with a focus on rural development. The RAHA small-scale projects that target livelihoods, small-scale local governance through capacity building and others can be categorised under rural development.

The CSP stresses the major cross-border significance with Afghanistan, notably by promoting better border security and encouraging the government to formulate medium and long-term strategies for Afghan refugees. Regional reforms in Balochistan place emphasis on good governance, human and social development and water. The CSP refers to natural resources management that has been

neglected in Pakistan's border areas, strained by the impact of long-standing regional conflict and the heavy influx of refugees from neighbouring Afghanistan. Availability of water, the CSP continues, is an important factor. This should be addressed by means of a holistic rural development approach with emphasis on improving livelihoods, upgrading rural infrastructure and preserving natural resources, all of which are present in the RAHA programme.

Implementation of the CSP should be closely coordinated with the efforts of the international community to support a comprehensive solution to the situation of Afghan refugees (Section 5.2.1, Country Strategy Paper). RAHA addresses the refugee affected and hosting areas and is, in that respect, also relevant to this refugee component in the Country Strategy Paper.

2.2. Coherence with Pakistan's policies

The action is **coherent with Pakistan's policies**:

- (1) It is in line with Pakistan's rural development strategy as laid out in the Poverty Reduction Strategy Paper (PRSP) adopted in 2004. The 2004 PRSP is built around four pillars:
 - (i) achieving broad-based economic growth focusing on the rural economy,
 - (ii) improving governance and consolidating devolution,
 - (iii) investing in human capital and delivery of basic social services, and
 - (iv) targeting the poor and vulnerable.
- (2) The action is in line with the decentralisation process foreseen by the 18th amendment to the Constitution of Pakistan.
- (3) EC programmes in Pakistan will be designed to contribute towards its objectives in line with the targets set out by the Pakistan Government in its five year Medium-Term Development Framework and its Poverty Reduction Strategy Paper.
- (4) In as far as the focus is on refugees, RAHA is an integral part of the 'Solutions Strategy for Afghan Refugees to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries' (SSAR) 2012-2014.

2.3. Government of Pakistan policy on Afghanistan

While the focus is on rural development, capacity building and infrastructure, there is a link with the presence of Afghan refugees. The relevance of the intervention as designed in 2009 (RAHA funded by donors other than the EU) or in 2011 (RAHA funded by the EU) is different from the one needed today. ISAF forces have withdrawn from Afghanistan, presidential elections in Afghanistan have resulted in a president coming to power who is taking steps to draw closer to Pakistan and the Government of Pakistan has designed a new policy which was finalised in August 2015. Of particular relevance to the refugee situation are:

- (1) The conclusions of the 25th Tripartite Commission Meeting, held in Islamabad on 11 March 2015 between representatives of the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan and UNHCR;

- (2) The joint communiqué of the Government of Pakistan States and Frontier Regions Division following a meeting on 10 March 2015;
- (3) The draft record note of the meeting of the Pakistani Prime Minister with the Delegation of Afghanistan dated 12 March 2015; and
- (4) The Proposal for Enhanced Voluntary Return and Reintegration Package (EVRRP) for Afghan refugees, dated 10 March 2015.

At the 26th Tripartite Commission meeting with the Government of Afghanistan and UNHCR, held in Kabul in August 2015, the Government of Pakistan presented a draft proposal for its new Comprehensive Policy on Voluntary Repatriation and Management of Afghan Nationals beyond 2015. Pending the endorsement by the Federal Cabinet, the new draft policy emphasises the need for continued provision of assistance to refugees and their host communities through RAHA, and recommends, *inter alia*, to extend its scope, improve transparency and efficiency of its processes and strengthen resource mobilisation in support of its implementation.

2.4. Relevance to the needs of the target groups

The programme is **fully relevant** to the needs of the target groups. Interventions inside the RAHA programme have been selected on the basis of needs as prioritised by the communities. These are based on RAHA's community-driven character, and have been promoted and construed to mean that only the communities can determine their needs and have them funded by a donor-funded programme,

"Whatever the community wishes, RAHA tries to give it"

best depicts this approach (verbatim quote, various sources, undisclosed, senior management).

While this approach has the advantage that interventions are relevant to the needs of the communities, the assertion that a community deserves to receive whatever it wishes comes at some point in conflict with the contractually binding objectives of a project. It is the Evaluation Team's position that the priorities of the communities need to be framed into the objectives of the project.

3. DESIGN

3.1. Introduction

The design is sub-optimal.

This section details its weaknesses. All of the design flaws described hereunder could, and should have, been avoided from the formulation stage onwards. However, as this was not done, they have had a continued adverse impact on the programme implementation. UNDP argues in its comments on the mission's first report, submitted in June 2015 that design issues and implementation deficiencies should be kept separate.

This is partly an appropriate (and convenient) suggestion in that it puts the responsibility of the design flaws with those who participated in the design (mostly if not all persons who are not present in the programme anymore). On the other hand, it is not necessarily advisable or desirable, *inter alia* because under that scenario most of the implementation issues could be relegated to the design flaws - in the process taking away a large part of responsibility from the implementing agency. **Weaknesses are not only due to design but in a very large part to management deficiencies.**

It also overlooks the ability that UNDP had to alter the design by means of the National Steering Committee or the Federal Task Force, two structures that had been set up for the strategic management of RAHA. Unfortunately, these tools have not been used to address the design weaknesses.

One of the main aspects that expose the implementing agency to criticism is the targeting mechanism. There was fundamentally no real targeting because the criteria that were applied were overly vague. There is, indeed, a lack of precise and specific targeting criteria and that has been the case since the inception of RAHA. However, that lack could, and should, have been remedied through the Steering Committee and the Federal Task Force, both of which have a European Union Delegation observer on their boards. Unfortunately, this has not happened: the Steering Committee never convened, and the Federal Task Force did only a handful of times (see details in the efficiency section).

3.2. Complex implementation mechanism

RAHA operates on various levels with several approving and implementing agencies involved. Success relies upon seamless coordination from the federal and provincial government in close collaboration with UN agencies, implementing partners, all the way through to the community organisations. Streamlining this process is not easy.

3.3. Security

Pakistan's unpredictable and volatile security situation creates a difficult operational environment. The on-going sectarian violence, security incidents, and military operations impede work and affect individual project schedules, including delayed delivery of construction materials. This is by all means

the biggest constraint for efficient implementation. However, these security restrictions have been in place for a very long time and, certainly, well before the start of the programme. They should have been factored into the design. Instead, they were ignored, and the programme was even expanded beyond management capacity to 2,352 communities often in inaccessible geographic areas.

3.4. Weather

On several occasions, the argument is invoked that winter deprives the implementing agency of three months' worth of implementation time per year. Over a time frame of four years, that is a full year that work cannot be properly carried out because of the weather. This is an issue that is prominently present in Pakistan and especially in the two target provinces. As with the Security Situation, the problems caused by the weather are well known and should have been taken into account at the design stage.

3.5. Joint UNDP-UNHCR implementation is problematic

Various senior management sources at UNDP contend that it is **hard to understand why UNHCR was allowed to implement this programme jointly with UNDP**. UNHCR reports to Ministry of States and Frontier Regions (SAFRON), whereas UNDP reports to Economic Affairs Division (EAD); UNHCR follows the fiscal year (July-June) whereas UNDP the calendar year (January-December); its humanitarian work is fundamentally different from UNDP's development mandate (UNHCR advised that sustainability of the community organisations was not at all their focus, which is radically opposite to UNDP's approach). UNHCR works through partners (formerly "implementing partners"), whereas UNDP works through the government. In addition, it is precisely the capacity of UNHCR's partners that constituted a design problem: this capacity was described by the agency as low, and implementation as "not properly done".

3.6. Geographic spread

The most significant design flaw is undoubtedly the geographic spread. 2,352 communities have been served by this programme, in the most remote and security-challenged areas of Pakistan where high quality human resources are scarce and access is difficult.

The selection of a multitude of micro-projects was evidently a deliberate choice. When the budget per village scheme turned out to be lower, however, it was decided to increase the number of micro-projects. It is clear that it would have been wiser not to do so in light of the already existing severe management oversight issues.

RAHA is a high-risk project with money transfers to community organisations that operate in mostly destitute geographic areas where the average project funding amount is at least the equivalent of life-time earnings. The risks occur at identification of project level and at the level of implementation of the projects in the communities. These circumstances aggravate the design choice of 2,352 micro-projects.

3.7. National management structures devolved to provincial levels

National management structures were formally in place but *de facto* replaced by provincial structures, thus depriving the programme of a great deal of its national strategy and oversight function.

The important role played by the Provincial Steering Committees is defended by the 18th Amendment to the Constitution of Pakistan, which embodies devolution. This is only a partially valid argument at best. Devolution does not imply lack of oversight (although admittedly the limits are a sensitive matter to define in federal structures), and the existence of two different Provincial Task Forces for the two provinces, and the dichotomy within because of the different UNHCR/UNDP methodologies certainly justified a more active Federal Task Force.

3.8. Critical issues in community organisation

Other than the obvious logistical challenges in reaching 2,352 communities with minimal resources in a unsecured and difficultly accessible terrain, there are cultural, social and other constraints that make community organisation difficult (while noting the differences between Balochistan and KP). One must not forget that RAHA challenges the authority of the Community Organisations - especially when there is funding at stake. Tribal rules and traditions, tribes, sub-tribes differ and the theoretical framework of the handbooks does not apply. As a result, all interlocutors state that there was a lot of trouble doing social mobilisation, there were difficulties linked to training of Community Organisations in a number of places, *"but that after a while it went better"*.

Interestingly, these issues appear to have continued to exist also in communities where other organisations, such as NGOs, had been doing community mobilisation work before RAHA came about. Even at that time, these were facing similar problems (outsiders coming in to tell a community how to organise themselves and how to behave towards women). Community Organisation is low, and in addition those who have been appointed to act as focal point for the RAHA interventions are not always the established community leaders.

There was initially resistance from village elders, who are apprehensive about losing their authority if they formed a village organisation with "democracy". Culture and religion most certainly interfered. Religious extremism is prevalent in the target areas, resulting in threats about spreading non-Muslim ideas. Language issues played a role as well, and several sources contend that a social organiser should have his native roots in the communities where the social work is being implemented if he is to be effective in his work (this was reported by RAHA staff, notably social organisers).

3.9. Capacity building designed as a relatively small component

Throughout this report, the capacity building that has been provided to the communities is characterised as light and insufficient for proper community implementation. A thorough analysis of this design flaw is provided in the effectiveness section, although it can be found as a cross-cutting flaw throughout this report.

3.10. Very poor quality of logical framework

The logical framework does not contain any indicators related to the results areas. These cannot be measured as a consequence. Most if not all of the log frame focuses on activities.

3.11. Targeting

3.11.1. Introduction

The **targeting criteria** are subject to significant debate because the contractual documents do not give a restrictive definition of "affected" - the key word in the RAHA objectives. Reasonable minds can differ on such a definition, and they do so on both geographical and thematic issues. As a result, project staff do not have a common understanding. At macro level the identification of affected Union Council's (UC) satisfies the criterion of "badly affected" - but the terms "affected" and "worst affected" were also used. Field verification and statements from provincial government officials suggest that the mere absence of infrastructure justifies inclusion of a community into the beneficiary list.

3.11.2. Geographic targeting

Geographic targeting has been assessed during this evaluation.

No distinction is made between direct and indirect affectedness. A study commissioned by the Provincial Government of Balochistan suggests that 307 out of 564 Union Councils are affected, *either directly or indirectly*.

Targeting criteria were available for the Union Councils but not beyond. This has been construed to mean that all villages within one Union Council are eligible. With UC of the size one encounters in Pakistan, this is hardly specific targeting. While it is true that a typical Union Council has a population of 15,000, it remains the lowest administrative structure in Pakistan and therefore an appropriate starting choice. Before the launch of the RAHA programme in 2009, a detailed, formal needs assessment was conducted in consultation with the provincial governments to identify Union Councils "worst" affected by the presence of Afghan Refugees. RAHA Union Councils were selected based on this needs assessment. The numbers of refugees that sought refuge in Pakistan (more than 5 million at its peak) coupled with the duration for which these refugees have stayed in Pakistan (35 years) make a strong case for the inclusion of the "whole" Union Council.

3.11.3. Thematic targeting

Thematic targeting was also assessed. The programme was designed to promote regional stability and compensate for social, economic and environmental consequences wrought on Pakistani communities by the presence of more than 3 million Afghans over the past three decades. It also aimed at promoting peaceful co-existence between the local communities and 1.7 million registered Afghans, still living in Pakistan after the large-scale repatriation since 2002, pending their return to their homeland. Government representatives construe this rationale rightly as a psychological

criterion that justifies provision of infrastructure in an effort to mitigate dwindling tolerance and support for the presence of Afghans on Pakistani soil.

Communities were encouraged to identify thematic areas according to their specific needs, and the choice of the communities was accepted without argument. The sole discretion for needs prioritisation lies at their level according to the official UNDP policy that was promoted and implemented on this matter. There was no filtering process that allowed these selected priorities to be aligned to the priorities of the project - which were not contractually defined (a design fault) (see above).

The selection was "lauded" by local government for having gone through a process (in occurrence, selection by the district coordination committees), suggesting that following a process was in this case more significant than following project beneficiary identification criteria.

The social organisers in KP contended during a joint meeting on 26 May 2015, that it was appropriate for RAHA to organise communities because the traditional Jirga structure does not correspond to modern needs, is not democratically set up and does not conform to human rights and gender issues. This statement is radically opposed to the spirit of the programme, and cannot possibly be defended as rationale for the RAHA. The objective of this programme is not the import of a western-style democracy-based governance model. Significantly, the position of the social organisers, which was voiced by several persons, was not contradicted by the RAHA PMU team leader in this province.

Targeting is justified in other ways by RAHA staff and government counterparts in various non-uniform manners. The following are some of the contradictory statements that were used to justify the widely diverging interpretations of the project objectives and resulting targets:

- incorrect*
- (1) The criteria are said not to have been in the project documents (which they are not, and that is precisely the roots of the confusion);
 - (2) The project documents are flexible;
 - (3) The needs are different between the two target provinces; and
 - (4) Receptiveness for interventions.

3.11.4. Targeting and prioritisation – size and number of projects

The selection of a multitude of micro-projects was evidently a deliberate choice. Government representatives repeatedly stated that they wished to see larger projects (as quoted in Federal and Provincial Task Force meetings minutes). The budgeted number of projects was 1,578; eventually, 2,352 were implemented. The reason for the over achievement is that although the threshold for a community project is US\$20,000, many of these projects implemented cost considerably less than this threshold. Additionally, all UCs were allocated a certain budget.

Thus the number of projects increased as the UNDP was following the UC allocation. It was decided not to go for larger projects:

- (a) to keep in line with UC allocations;

- (b) in consideration of the capacity of the community organisations that was judged not sufficient for larger projects;
- (c) because the contribution agreement had set the maximum ceiling for project value, which could not be surpassed without addendum; and
- (d) because the work plan had already been decided.

Contractually, it would have been possible to satisfy the government's wishes by proposing an amendment to the contract. The decision not to do so appears to have been conscious and deliberate. However, in the opinion of the Evaluation Team the decision to increase the number of interventions in communities that were already considered very high-risk in terms of project implementation deserved more than merely contractual considerations, indeed perhaps even a significantly enhanced risk analysis.

3.11.5. Targeting – Sector-wise list of CPIs

The following list provides a breakdown of how the 2,352 CPI projects are distributed per sector:

Sector	Balochistan	KP	Grand Total
Street Pavement	126	436	562
Sanitation Latrines	126	398	524
Water Supply	365	143	508
Education	33	260	293
Irrigation Channel	31	125	156
Energy	86	28	114
Flood Protection	34	53	87
Others	15	64	79
Health	5	24	29
Grand Total	821	1,531	2,352

The prioritisation of **street pavements** and **latrines** speaks for itself.

In the **water sector**, typical schemes include hand pumps, pressure pumps, mini tube wells distribution systems, rehabilitation of pump houses, construction of overhead tanks with bore, rehabilitation and extension of PHED water supply lines, provision of voltage stabilisers, transformers and distribution lines, solar pumps and their respective distribution networks, and distribution lining in the already existing water supply schemes.

In the **education sector**, focus was on basic facilities such as boundary walls, additional classrooms, clean drinking water, latrines, equipment to schools, classroom furniture, science laboratories, laboratory equipment, libraries, playgrounds, washrooms, building repair.

In the **health sector**, work included rehabilitation, improvement, repair, maintenance; construction of recovery rooms, EPI rooms, bath and store rooms, waiting rooms, latrines, laboratory, labour room block, flooring, ward and doctor rooms, electrification, water supply etc.

3.12. Donor coordination

For the 5 years (2010-15) during which UNDP has implemented RAHA, UNDP reports that there has been no instance of overlap of two donors' funds being implemented in the same geographic location. UNDP signed 3 agreements under which funds were received. The timelines and geographic locations for these are summarised in the table below:

Source	Timeline	Location
Government of Japan (US\$22 Million)	Jan 2010 – December 2010	KP – Peshawar, Nowshera, Haripur, Swabi Balochistan – Quetta, Killa Abdullah, Pishin, Loralai, Chagai
European Union (€40.8 Million)	July 2011 – December 2015	KP : 81 Union Councils Peshawar, Nowshera, Haripur, Swabi, Lower Dir, Buner Balochistan 21 Union Councils in Quetta, Killa Abdullah, Killa Saifullah, Pishin, Loralai, Chagai
Government of Japan (US\$12.3 Million)	March 2012 – March 2014	Federally Administered Tribal Areas: Khyber Agency KP: Peshawar – 3 Union Councils (no overlap with Union Councils included in the EU Contribution Agreement)

The agreements with the EU as well as the Government of Japan were not sector specific, but included all the outputs listed in the RAHA programme document. Only geographic locations (Districts and Union Councils) were identified. As an important mechanism for coordination, donors are members of both the RAHA Provincial Task Forces in Balochistan and Khyber Pakhtunkhwa.

As evident from the table above, from 2012-14 there was a brief overlap in the Peshawar district between EU and Government of Japan funding. However, the Japan funds were implemented in only 3 Union Councils of Peshawar which was decided based on adjacency to the Peshawar-Torkham Expressway. These Union Councils were separate from those included in the EU Contribution Agreement.

4. EFFICIENCY

4.1. Payments received

As of 2 December 2015, UNDP has received the following payments. This table confirms that, in conformity with the Contribution Agreement, all payments are up to date (rounded figures):

	EURO
Total Commitment from the EU	39,800,000
1st Tranche - 1st July 2011	5,705,689
2nd Tranche - 26th Nov 2012	13,537,810
3rd Tranche - 7th April 2014	14,643,589
4th tranche - 20 May 2015	5,052,824
Total paid by EU to UNDP	38,939,912

4.2. Financial expenditure

Expenditure against budget is as follows for the entire contract duration (48 months) as of November 1st, 2015:

	Budget Line	Budget	Expenditure	Balance
1	Human resources	5,399,760	4,693,269	706,490
2	Travel	100,320	92,188	8,132
3	Equipment and supplies	275,200	491,323	-216,122
4	Local office	1,056,000	1,059,554	-3,554
5	Other costs, services	395,000	373,544	21,455
6	Other	30,643,813	28,545,081	2,098,732
7	Sub-total direct eligible costs (1-6)	37,870,093	35,254,959	2,615,134
8	Contingency reserve	200,000	0	200,000
9	Total direct eligible costs of the Action (7+ 8)	38,070,093	35,254,959	2,815,134
10	Administrative costs	2,664,906	2,414,668	250,238
11	Total eligible costs (9+10)	40,735,000	37,669,627	3,065,373

In the above financial table, budget line 6 "other" comprises the amount of €30,643,813 earmarked for the Community Physical Infrastructure (CPI) in both provinces. Details for that item line are as follows (all amounts in €):

		Budget	Bank transferred	CO contribution	Total expense	Variance	Balance in community bank accounts
Completed CPIs	Balochistan	Not specified	5,519,110	223,771	5,698,755	-179,646	108,752
Completed CPIs	Khyber Pakhtunkhwa	Not specified	16,037,811	631,169	16,822,359	-784,548	figure not available
Non completed CPIs	Balochistan	Not specified	3,055,663	115,505	3,035,274	20,390	297,464
Non completed CPIs	Khyber Pakhtunkhwa	Not specified	2,893,517	61,318	1,070,614	1,822,903	figure not available

18,931,328
8,574,773

Combined figure (total) of completed and non completed CPIs	Balochistan and Khyber Pakhtunkhwa combined	30,643,813	27,506,101	1,031,763	26,627,002	see notes	Not specified
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Note that the addition of the CO contribution alters the budget line. This contribution should not be taken into consideration for the calculation of the expenditure. As a consequence, **the above figures do not accurately represent the expenditure against EU budget.**

During the first field mission, it transpired that UNDP accounted only for the bank transfers to the communities. The **real incurred cost figures were not available**, although these should be available when required and, at a minimum, at least once per month at the closing of the monthly accounts.

This confusion between cash flow and real cost and the fact that UNDP could not provide on-the-spot expenditure figures for this budget line caused considerable discussion as to what actually constitutes expenditure. In the terminology that UNDP utilised for the purposes of managing RAHA, expenditure meant the total amounts of bank transfers to Community Organisations.

The Community Organisations had a budget to do a specific community physical infrastructure work. They were usually paid in tranches of 50-30-20 per cent or differently for heavier infrastructure works that required more advance funding. The accounting of expenditure should not be based on tracking the payment of these advances but should be based on a case-by-case/project-by-project calculation, for each and every single one of the community physical infrastructure works, how much exactly was really spent, compared to the budget.

On the basis of the recommendation made in June 2015 by this Evaluation Team during their field mission, UNDP contracted audit company Ernst & Young to complete the files of all CPI schemes. On the basis of what is assumed to be completed files (the evaluation's terms of reference did not provide the mandate to check this, nor was there time available), the above calculations were made.

Figures of the bank transfers provided by UNDP are as follows:

	Budget	Bank Transfers	Balance
All projects Balochistan	8,938,052	8,608,871	329,181
All projects KP	18,970,834	18,626,161	344,673
Total	27,908,886	27,235,032	673,854

The budget, expenditure and bank transfer figures above were all provided by UNDP. Significant variances continue to exist between various reported figures:

- in the global financial report, the budget line "other" stands at 30,643,813 but that figure is not reflected elsewhere (although it is the only one that matters); and

different data
limited time to share data → final calculation (exchange rate calculations & internal verification & reconciliation)

- the amounts reported for total bank transfers differ between the above tables (this may be due to the fact that these were provided at different dates)

As a result, **it is impossible to determine**, at the time of reporting, with certainty **what the expenditure is against the budget line** for the CPIs (the single biggest line in the global budget). UNDP will provide end-of-project financial reporting that takes into account these observations and provide final figures to the Contracts and Finance department of the EU Delegation at the time of submission of the final financial report for the entire contract period.

The inconsistencies, inaccuracies and variances in the financial reporting have taken up a disproportionately large amount of the Evaluation Team's limited time. In June 2015, it was clear that UNDP did not even have an informed estimate of the expenditure, as it considered only bank transfers and not actual expenditure. An inordinate amount of time was required from the Evaluation Team to provide technical assistance on financial reporting, only to receive, in November 2015, a financial expenditure table in Balochistan that again comprised only the bank transfer figures and not the actually incurred expenditure.

UNDP has acknowledged these financial reporting issues.

By any standard of due diligence and good governance, **it is unacceptable that a United Nations Agency** that benefits from FAFA exemptions (FAFA is the Financial and Administrative Framework Agreement that governs the relations between the European Union and United Nations) that came into being on the grounds of assumed management capacity **had**, until a few weeks before the initial closing date of the project, **not a clue of the expenditure against a budget line of (rounded) €30 million and was, indeed, not even aware that it did not know.**

In a highly sensitive context consisting of bank transfers to 2,352 communities where project staff visits in many cases only sporadically, **this is inexcusable.** Any small NGO that commits similar infractions on basic accountability principles would be blacklisted from receiving future EU funding.

The table below shows the number of CPIs with a positive balance, negative balance and those where the budget equals the expenditure. Considering that the exercise was conducted in October and November 2015, to complete the files and calculate expenditure, it is not credible that 51 communities produce a financial report in which the budget was 100% executed without over or underspend, that 257 communities fall in a bracket of 1 to 10,000 Rps (roughly 80 €) over-spend and 82 communities in a bracket of 1 to 10,000 Rps under-spend. The first figures that were provided suggested an under-spend of several hundred thousands of euros; when it was made clear that those unspent funds would have to be returned to the donor, the majority of CPI projects became over-spent in newly produced expenditure tables.

The expenditure figures change frequently – often by significant amounts. The final financial reporting will be submitted to the EUD's Contracts and Finance, who will make the final decision on eligibility. On the basis of the arguments developed above, the Evaluation Team has **considerable reservations about the accuracy of the accounts.**

		Balochistan	KPK	Total
Number of CPIs with positive balance (over-spent)		411	1267	1678
	balance between 1 and 10,000 Rps	67 285,773	190 678,783	257 964,556
	balance between 10,001 Rps and 100,000 Rps	283 13,157,754	699 43,656,267	982 56,814,021
	balance over 100,001 Rps	61 10,778,811	378 52,768,055	439 63,546,866
Number of CPIs where budget = actual cost		30	23	53
Number of CPIs with negative balance (under-spent)		109	17	126
	balance between 1 and 10,000 Rps	65 190,721	17 15,310	82 206,031
	balance between 10,001 Rps and 100,000 Rps	42 1,469,817	0 0	42 1,469,817
	balance over 100,001 Rps	2 327,455	0 0	2 327,455

expense re-conciliation was being done

4.3. Completion of CPIs

Two no-cost extensions have been granted to allow UNDP to finalise a number of incomplete schemes.

While Balochistan has about half the number of CPIs of KPK, the number of incomplete schemes here is higher. This means that the non-completion ratio in this province is double that of KPK.

By the end of the project, all schemes are likely to be completed.

4.4. Payment suspensions and their impact on timely implementation

The EUD suspended interim payments linked to annual reporting by UNDP on two occasions, leading to implementation delays and cash flow dynamics that were not conducive to project implementation, in particular, leading to non-availability of funds at the provincial RAHA offices for processing of payments to Community Organisations. These suspension decisions were based on doubts about effectiveness and efficiency, sub-standard reporting and allegations of fraud and misappropriation that had been addressed directly to the EUD or that had been reported by UNDP in 2014.

The payment request linked to the year 2 report was received on 13 December 2013 and payment was suspended on 31 January 2014. On 25 March 2014, the payment was un-suspended after reception of the revised report, and payment was processed on 1 April 2014.

The payment request linked to the year 3 report was received on 10 February 2015. The EUD informed UNDP of the payment suspension on 3 March 2015. Several "back and forth"

communications led the EUD to re-confirm this suspension until oral debriefing of the first field evaluation mission that took place in May 2015.

UNDP suspended implementation pending payment, based on the argument that pre-financing is not an option to them on various grounds, including FAFA. Payment was eventually processed on 18 May 2015. As a result of the payment delays and other justifications such as a recurrent slack season in winter, which lasts about three months per year (which should have been incorporated into the timeline at design level), a no-cost contract extension was granted until September 30, 2015. An additional extension was agreed, independently from the delays incurred because of payment suspensions. The project ended on 31 December 2015.

4.5. UNDP-commissioner inquiry

An inquiry was commissioned by UNDP, resulting in a Report on Inquiry by Mujeeb ur Rehman, 26 September 2014, in which inquiries were made into several allegations:

- (1) processing full payments of communities for incomplete infrastructure projects;
- (2) confiscating cheque books for community accounts after getting signatures on bank cheques;
- (3) forcing communities to procure from specific vendors;
- (4) procuring from vendors offering prices higher than market; and
- (5) awarding infrastructure work to newly formed Community Organisations lacking maturity.

This inquiry dealt with a number of practical operational matters that had been brought to the attention of the RAHA staff. In two instances, reported on pages 8 and 9 of this report, remedial action consisted in the resignation of the social cohesion coordinator and the social organiser of the Loralai region on grounds of negligence and possible collusion, and in a third case these were requested to explain their positions for negligence.

The matters raised in this report are evidence that remedial action was indeed taken in a number of cases, but also serves as a reminder that RAHA is vulnerable to irregularities. A section on confiscation of cheque books states that "seven cheque books of community organisations were found in the RAHA Loralai office in the possession of the social cohesion coordinator. When inquired, he said that they cannot trust the community regarding payments and therefore they issue cheques themselves; it is also questionable why RAHA team transferred all the money in the community organisation's account before the work was completed. The inquiry revealed the above statement totally true. Whatsoever the explanation may be, this was totally against the spirit of the RAHA programme (...) and was also an insinuation of ill intention of the regional staff (...)" (p.12, quoted in full).

Mr. Mujeeb Ur Rehman, the author of this report and provincial coordinator for Balochistan, rightly points out in his study that more substantial monitoring weaknesses were laid bare by the cases he investigated. In addition, he correctly states what the Evaluation Team has been stating throughout this report, that "the community is totally unaware about the procedures of procurement. They are blindly following the instructions of the field engineer who proposes a specific vendor (...). It was also observed that the engineer has been giving cross cheques directly to the vendor on behalf of the

community organisations". In September 2014, well into the implementation of RAHA, he also writes that "there appear to be no standard operating procedures as to how community will proceed on matters of procurement where they have literally no technical know-how and as to how and to what extent the RAHA team can guide the communities" (p. 14), and "that the office bearers of the community organisations were not properly sensitised on the procurement procedures, financial matters and record keeping". This comment dates to one year before project closure and is formulated by one of the two provincial coordinators. *"The findings of the inquiry reveal lacunas in training modules which are eventuating in the mismanagement of the community projects"* (p.16). *"The question of maturity of a community organization is undefined"* (p.17). *"Monitoring and evaluation system of RAHA was also found to be ineffective and unable to keep vigilant check on all programme activities"* (p.17).

4.6. "One UN"

The RAHA Programme document, signed in 2009 with the Government of Pakistan, includes the following UN agencies: UNDP, UNHCR, WFP, WHO, FAO, ILO, UNWOMEN, UNHABITAT, UNOPS (the latter two joined in 2012). Since the beginning of the programme, UNDP and UNHCR have been implementing more than 90% between them. Pakistan is one of the seven "One UN" Pilot countries. Implementing the "One UN" programme operationally there has proven to be a challenge. Some guidelines developed by other agencies such as UN Habitat on infrastructure are not being used in the field. Other UN agencies and programmes could have provided technical guidance and support, e.g. FAO for agro-forestry, WHO for health, and especially UN Women for gender equality, to quote a few examples. There is, however, no evidence of such contributions.

Several UN sources deny that they are working as "One UN".

The Mid Term Review recommended that a single oversight forum should be used for the RAHA project in order to provide oversight at the appropriate government level and also to develop synergies between the "Affected Areas" and "Hosting Areas" components. This could have helped RAHA to truly work as "One Programme", rather than working in isolation from each other, which appears to be the case currently.

For example, there are two Provincial Task Forces (PTF) because of UNDP and UNHCR both working on the RAHA (see section on strategic management), which deflates the "One UN" concept even more. The Federal Task Force, in its April 7, 2014, meeting was unanimous on the merger of One PTF. However, *"conclusion with regard to leading role as to who would chair was not arrived at"*.

Due to differences in opinion, the Task Force formed a Committee that received a mandate to submit a report and recommendations within six weeks for consideration with regard to "leading role/chaired One PTF" and amalgamation of both the components of the RAHA programme" (minutes of the said meeting, p.3). The issue remains inconclusive and no Federal Task Force meeting has taken place since.

4.7. Management structure

The management arrangement as envisaged in the Contribution Agreement attributes oversight roles to 3 bodies:

- the Joint Programme Steering Committee;
- the Joint Programme Component Task Force (now called Federal Task Force or FTF); and
- the Provincial Task Forces.

The **Steering Committee** provides overall strategic guidance. It is supposed to convene twice a year, but it has **never convened**. Reasons for this are said to be the strategic role that the Federal Task Force played anyway, and that having both Steering Committee and Federal Task Force provide strategic guidance at the same time was not opportune and would duplicate efforts.

The **Federal Task Force (FTF)** is constituted of UNDP, EAD, SAFRON, UNHCR, and co-chaired by two ministries of the Government of Pakistan i.e. SAFRON and EAD, and the donors. It has **not been meeting frequently**; only five meetings are reported (May 11, 2011; June 27, 2012; September 13, 2013; December 31, 2013; April 7, 2014). As per the implementation arrangements of RAHA, FTF is supposed to meet bi-annually (every 6 months). A slight increase of frequency took place after the Federal Task Force itself had observed that "meetings of the FTF may be held more frequently" (minutes of the September 13, 2013 meeting). The role is focused on oversight of policy level issues.

At the provincial level, the **Provincial Task Forces** approve and review the annual work plans and budgets, review progress, ensure provincial level coordination and solve issues at provincial level, and should be guided by the Federal Task Force on policy matters. Detailed reading of the minutes of the Provincial Steering Committee meetings suggests that **barely any strategic guidance is given** by the Federal Task Force, and that the provincial committees are, *de facto*, the strategic management structure.

These bodies are headed by the Additional Chief Secretary of the Planning and Development Department of the Government and consist of representatives from the relevant provincial line departments, UN participating agencies, EU and representatives from civil society, the private sectors and NGOs. *The EUD has not been able to participate in the PTF meetings in Peshawar and Quetta because invitations were often dispatched only a few days in advance, thus effectively rendering attendance impossible.*

Meetings are supposed to be **quarterly**, in total 15 in Balochistan and 13 in KP (*ad hoc* meetings are also convened). Minutes are available. There are **two provincial task forces**; one for UNHCR and for UNDP. Within the same project two PTFs have been established due to differing implementation modalities of UNDP and UNHCR responsible for RA and HA components of the project.

Dates of Provincial Task Forces meetings were shared with the evaluation team (except for the first three meetings). Meetings were held regularly with intervals as follows:

- **KPK:** 4th meeting 30 July 2011, 5th meeting 31 January 2012, 6th meeting 19 June 2012, 7th meeting 21 December 2012, 8th meeting 4 April 2013, 9th meeting 29 July 2013, 10th meeting 20 November 2013, 11th meeting 20 April 2014, 12th meeting 21 August 2014 and 13rd meeting 21 January 2015.
- **Balochistan:** 1st meeting 27 January 2010, 2nd meeting 20 May 2010, 3rd meeting 25 October 2010, 4th meeting 29 December 2010, 5th meeting 29 June 2010, 6th meeting 9 August 2010, 7th meeting 27 February 2012, 8th meeting 3 July 2012, 9th meeting 12 December 2012, 10th meeting 25 March 2013, 11th meeting 12 June 2013, 12th meeting 8 October 2013, 13rd meeting 24 April 2014, 14th meeting 26 August 2014 and 15th meeting 10 March 2015.

Efforts were underway to merge the two PTFs for the past year and a half with no result (see details *supra*). The **District Coordination Committees (DCC)** formed by the provincial governments are to strengthen district level coordination for the activities. They are chaired by the District Commissioner, and constituted of senior district bureaucrats of all line departments, civil society actors and RAHA representatives. Their mandate is to ensure coordination and support on operational issues in the field, share information on initiatives to ensure non-duplication and enhance communication between community and the government, review progress of all projects (they have details of all projects). Meetings are supposed to be **monthly**.

Overall coordination at provincial level seems strong, judging by the elaborate meeting minutes, the frequency of meetings, the nature of issues addressed as evidenced in the minutes and the list of persons attending the meetings. However, at the federal and district level, it should certainly have been strengthened as it was mostly absent, considering that there has not been one Steering Committee meeting and only 5 Federal Task Force meetings.

The important role played by the Provincial Steering Committees is defended by the 18th Amendment to the Constitution of Pakistan, which embodies devolution. This is a partially valid argument at best, however. Devolution does not imply lack of oversight (although admittedly the limits are a sensitive matter to define in federal structures), and the existence of two different Provincial Task Forces for the two provinces, and the dichotomy within because of the different UNHCR/UNDP methodologies certainly justified a more active Federal Task Force.

The lack of strategic management at Steering Committee and Federal Task Force is most certainly at the origin of most, if not all, of the targeting issues that are described in the design section. EAD Islamabad agrees that the Federal Task Force and Steering Committee have not been meeting regularly enough and that this impacted on strategic vision.

At central government level, the UNDP National Project Director manages the programme for the two provinces. He maintains effective oversight and provides professional services with an extraordinary knowledge of the field situation and the project context. It is, however, not helpful that the Steering Committee and the Federal Task Force do not assist him in the strategic oversight he is entitled to exercise.

The UNDP sub-offices in Quetta and Balochistan (only recently set up) are technically not involved in the day to day management, as the RAHA provincial offices have their staff and physical presence in the field. At the provincial level, leadership has three types of expertise:

- gate keeping with government;
- management; and
- guidance and technical expertise.

As these offices operate in some of Pakistan's most challenging environments, recurrent management issues include human resources availability, security, mobility and remoteness, gender imbalance (1% of women are literate) and availability of Non Objection Certificates for foreigners wishing to visit field projects.

The human resources available in the two provinces are a source of problems for project management. It is hard to select, recruit and retain competent personnel in these remote areas of Pakistan, and the logistical challenges of getting these personnel to the projects that are being implemented by the local communities are daunting. Without a doubt, these factors have adversely affected community building, management, monitoring and technical assistance. The Mid-Term Review severely criticised the project for not having enough competent staff. The Evaluation Team has found that the quality of human resources is good and in some cases excellent, but that not sufficient staff is available to provide a continued field presence. Indeed, the community projects do not require university-educated staff for monitoring and follow-up: the mere frequent presence of RAHA staff in the communities that benefit from RAHA funding can be sufficient for an effective system of social and other control mechanisms to be in place.

The quality of monitoring at the provincial level could therefore be improved.

There are not enough human resources to physically attend all projects that are being implemented by the communities as a result of the CO capacity issues. For instance in Dalbandin, there are 5 Social Organisers, 1 Field Engineer, 1 Monitoring and Evaluation 1 Information Technology, and 1 financial/administration member of staff. This is not sufficient for the geographical size of the intervention area, its logistical challenges as described above and the number of projects.

In particular the existence of a sole Field Engineer is a risk for programme implementation as his approval is required for every project. The crucial decision to recruit more engineers was not successful as no one wanted to work in the area. Thus, there is still only one Field Engineer. Checks by the District Manager and Field Engineer are crucial to successful implementation.

One Field Engineer manages 60 to 80 projects (average for both provinces). UNDP Islamabad seeks to help by sending staff for *ad hoc* support. The field offices, particularly Balochistan, claim that engineering oversight is still an issue. According to senior management, about 42% of the projects are monitored. That is not enough in the community context in which the projects are being implemented. Memoranda of Understanding could be signed between RAHA and local Engineering Institutions who make students or interns - even recently graduated engineers - available to the project. The recurrent argument is that the project cannot compete against market rates for

KP
 engineers
 total
 E + M
 16 + 2
 Bal
 E + M
 16 + 2 + 1
 2 previously

engineers; that argument does not necessarily hold true, as it can easily be argued that many start-up engineers would see even low-paid employment with UNDP as a sound starting point for their careers. EAD in Islamabad fully agrees with this suggestion.

Balochistan monitoring arrangements are insufficient. The number of visits from Quetta to Dalbandin is said to be once a month for the Infrastructure Development Officer (engineer), and once a month for the Provincial Programme Manager (mostly at different times, but sometimes jointly). This should probably be once a week. The Regional Manager Dalbandin goes monthly to Quetta, no one else goes there for management purposes (although they go there for training). Islamabad monitors field work in Dalbandin; but the frequency should be higher. The Islamabad-based engineer visited three times in six months (the Evaluation Team considers that once a month visit should be a minimum). The National Programme Coordinator visited twice last year, which should be at least four times per year.

The UN's own RAHA Review concludes (on p 9) that:

"existing monitoring frameworks have proved inadequate to reflect the full impact and outputs of the RAHA programme as a whole, and of the sectorial interventions. Development and implementation of comprehensive and regular monitoring, reporting, and evaluation mechanisms can help to collect and process data and information needed for enhanced visibility and efficient robust resource mobilisation in support of continued implementation of the programme".

A **Management Information System** and Monitoring Dashboard are kept at Islamabad level. The prototype, web-based, started in September 2013. It took into account the requirements from SAFRON, EAD, UNHCR and UNDP. The production was outsourced to the company ESOL-PK. On 16 December 2014, it was handed over to the Government of Pakistan. As a consequence, data inputting over the entire project implementation time frame can be flawed (e.g. not all data were collected in the field prior to the MIS being operational). UNHCR data are still not in the database as their files (for the entire country operation portfolio, not just RAHA) were only in hard copy format.

Reports that can be provided include social mobilisation, projects and training, project direction report, project direct/Afghan report, project status report, project budget report monitoring follow-up report, programme report and outcome detail report.

A detailed presentation suggests that the software that is being used is working well and is adapted to the project. Since it has been in use for only half of the implementation period, however, several essential data are not available for all projects:

- the number of direct and indirect beneficiaries;
- gender disaggregated data;
- real incurred cost per project; and
- details on the engineering works. It would have been advisable to allocate some space in the MIS for "availability of documents", followed by the contractually agreed list of documentation that each individual CPI should have on file.

For any future UN project, this Management Information System can be of great value.

4.8. Financial transparency and accountability at field level

The formal framework that ensures financial transparency and accountability at field level is constituted of:

- a) training to community management members (see also section on effectiveness for a critical assessment of this training);
- b) the PCOM (Project Cycle and Operations Manual) rules and regulations approved by EAD;
- c) agreement with communities: number of conditions, responsibilities of communities, thresholds for quotations;
- d) registration of the community organisation that has benefited from a grant under relevant statutory laws;
- e) contractual payment conditions that prescribe that project money is released in 3 tranches: 50% advance; if 80% of those 50% are spent, then 30% payment is made; if 80% of those 80% are spent, then final payment of 20% is made (different ratios apply for heavy infrastructure works);
- f) two signatures on bank account are required on the joint account opened at community level;
- g) RAHA office has to give agreement to bank to clear check written by beneficiaries;
- h) final check at provincial level: certificate (engineer); resolution (committee); signature (district manager); regional manager;
- i) internal audits: on the spot;
- j) monthly financial closing (Islamabad staff goes to provincial PMU to assist with closure);
- k) quarterly spot checks by UNDP;
- l) internal audit at PMU level;
- m) external audits: UNDP-HQ 1x/year, random checks at district level by Islamabad, 3rd party auditors engaged by UNDP country office, donor audits; and
- n) six-monthly financial reporting to EUD.

Risks occur at the level of project identification and at the level of implementation of the projects in the communities. RAHA is a high-risk project with money transfers to community organisations that operate in mostly destitute geographic areas where the average project funding amount is the equivalent of lifetime earnings (or indeed several life-times).

4.9. Reporting

The Evaluation Team has partly relied on the annual reporting that was submitted by UNDP. This reporting gives rise to the following observations (the list is not exhaustive), apart from its general lack of detail:

- (a) Measurement of progress versus targets off-set against a baseline that was started up in 2013 (two years after the project started) does not provide reliable information time-wise. In terms of quality, neither the Benazir Income Support scheme nor the Union Council profiles