

**'Compromise' Models of Project Management:
Integration of Control-Oriented and Adaptive Approaches in Rural Water Supply**

by

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**Submitted to the Department of Urban Studies and Planning
on May 17, 2001 in Partial Fulfillment of the Requirement
for the Degree of Master in City Planning**

ABSTRACT

This thesis explores the case of an International Development Association (IDA) assisted rural water supply and sanitation project in Azad Jammu & Kashmir, Pakistan, to raise some important questions about how donor-assisted projects are administered in developing countries. The paper analyzes some unusual findings from the project related to issues of central control (both by donors and the implementing public agency), institutional learning, project innovations, and political involvement in development projects. Typically, development projects are characterized by highly inflexible project rules, lack of interaction between senior and junior staff, inadequate cooperation amongst technical and community mobilization staff, and widespread political interference, all of which are perceived to be impediments to project success. The IDA project recognized these problems and instituted several important project innovations to overcome them. This case provides evidence from the field to justify these claims and concludes with recommendations for future development research.

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ACKNOWLEDGEMENTS

Many people have provided inspiration and support during the course of my research. I want to thank Judith Tendler for taking time out from her busy schedule and commenting on several of my drafts. I am especially indebted to my thesis advisor Jennifer Davis for her tireless and demanding guidance. My gratitude to Sunil, Asha, Paul, and Taimur for being part of this research project, and for assistance in organizing my initial findings.

In Pakistan, I am grateful for the support from the Water and Sanitation Program in Islamabad and the LGRDD in AJK. I am particularly thankful to Zaheer Gardezi of LGRDD for providing constant assistance during my field visits. I am also thankful to the LGRDD staff in District Bagh for providing interviews and arranging field visits to beneficiary villages. For their kind hospitality, I am truly grateful to all village members in District Bagh who were interviewed as part of the study. Last but definitely not the least, I want to thank my lovely wife Seemeen for motivating me throughout the writing process, and for her patience and support during fieldwork.

My research was made possible through a joint MIT-WSP Governance Study of water and sanitation institutions in South Asia, with financial support from the Government of Netherlands. All views, conclusions, and possible errors in the thesis, however, are my own.

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ABBREVIATIONS

AJK	Azad Jammu & Kashmir, Pakistan
DOD	Declaration of Demand
IDA	International Development Association
LGRDD	Local Government and Rural Development Department
MLA	Member Legislative Assembly
MOU	Memorandum of Understanding
MPD	Ministry of Planning and Development
MTR	Mid-Term Review
NCRD	National Center for Rural Development
NESPAK	National Engineering Services of Pakistan
NRSP	National Rural Support Program
PHED	Public Health and Engineering Department
PMU	Project Management Unit
RDD	Rural Development Department
RWSS	Rural Water Supply and Sanitation
UNICEF	United Nations International Children's Fund
USAID	United States Agency for International Development
WB	World Bank
WSC	Water and Sanitation Committee
WSP	Water and Sanitation Program

SECTION ONE

INTRODUCTION

The 1977 World Water Conference in Argentina declared the 1980s as the International Drinking Water Supply and Sanitation Decade, with the slogan of “water and sanitation for all.” Despite such concerted effort by donor and government agencies to improve water and sanitation services in the developing world, many households in low-income countries continue to lack these services even today. Some of the major impediments to water and sanitation project success are perceived to be overly centralized planning, lack of consultation with junior staff and beneficiary communities, inadequate coordination and cooperation amongst technical and community mobilization staff, and political interference in the implementation process.

This paper draws on evidence from an International Development Association (IDA) supported rural water supply project in Azad Jammu & Kashmir, Pakistan, where the project administration faced all of the above-mentioned challenges, yet managed to overcome them by institutionalizing some important project innovations. First, despite the growing criticism in contemporary literature for centrally-managed programs, the IDA project represents a case where decentralized, discretion based activities along with certain centrally-controlled accountability measures provided both motivation and oversight that lead to good project results. Also, despite some central rigidities, the donor-imposed focus on construction targets in AJK actually provided the impetus for several project innovations and improved project staff performance.

The most important project innovation was the decision to involve junior District level staff in project decision making. A system of six-monthly work plan meetings was introduced by the

LGRDD central Directorate in which project workers from all Districts were required to present their field reports to their senior colleagues and discuss any implementation problems being faced in the field; solutions were then sought through joint-consultation. This system of regular senior and junior staff interaction represents quite a contrast to the typical government agency structure in which junior staff is rarely afforded the opportunity to meet their senior colleagues, let alone discuss project details. By enacting the six-monthly meetings, the LGRDD Directorate ensured that their junior colleagues were not simply *participated* in the project (i.e. informed of their responsibilities), but they were in fact regularly *consulted* throughout the project period.

While many of the project decisions were deliberate attempts by the LGRDD to improve project performance, there were some aspects of the project design that unexpectedly helped the LGRDD produce better results. For instance, beneficiary community members were required to provide labor for carrying pipes from where they were dropped off by supplier trucks and laying them in accordance with LGRDD technical guidelines. This implied that communities had to organize themselves internally to manage the labor responsibility before the scheme construction actually began. The decision to make communities responsible for this activity was made simply because the LGRDD did not have the manpower or resources to conduct the civil work on their own. Hence, the LGRDD inadvertently created a “demand filter” to judge community demand for water projects. The extensive use of such filters to test community demand at various stages of scheme construction ensured that only the communities that had a real need for piped water, and were willing and capable of fulfilling the scheme criteria were awarded water schemes. This system of demand filters provides an efficient alternative to the one-time ‘willingness to pay’ studies, especially in cases where future community demand is uncertain at project inception.

In addition to providing both intentional and unintentional incentives for improved project performance, the LGRDD experience reveals a few unusual project outcomes. One such result was the close working relationship between project Engineers and the community mobilizing Extension staff. The blurring of boundaries between technical and community organizing work in AJK increased commitment of staff and provided more resources to communities than are generally found in these projects. Typically, Engineers are unwilling to involve communities in their technical designs, and the relationship between Engineering and Extension staff is also not cordial with the former not appreciating the importance of the latter, and being interested primarily in the technical aspects of the project. In AJK, however, Engineers and Extension staff worked closely and complemented each other in the field. For instance, Engineers who experienced antagonism from community members could rely on project Extension staff to act as intermediaries between the two and translate the technical language from the Engineers into layman terms for communities. In a sense, this staff cooperation and understanding increased the manpower of LGRDD with Extension staff being able to answer some of the technical questions, and similarly, Engineers often leading awareness campaigns.

Another unusual outcome in the IDA project was the cooperation with politicians in resolving social disputes within villages. Politicians in developing countries traditionally exert their influence in the disbursement of development project funds. The villages that benefit are invariably the ones that support the politicians during elections. Under this system, services do gradually improve, but villages that favor political rivals tend to be deliberately overlooked, and thus receive fewer benefits. The most common solution to such political interference is an attempt to insulate development projects from politicians. The decision by many donor agencies to establish their own independent project management units with foreign consultants as project administrators is partly in response to this threat of project politicization. In AJK, the LGRDD initially tried to do just this. They developed a set of objective village selection techniques and

introduced a uniform selection criteria to provide their field staff with an institutional excuse against politicians. However, these criteria were difficult to implement in the field, for reasons discussed later in the thesis. Soon, the LGRDD realized that they could achieve better results if they involved politicians in the implementation process instead of trying to avoid them altogether. The LGRDD senior staff started paying courtesy calls to these politicians in an attempt to market the project and obtain their cooperation. In many cases, politicians in fact started helping the LGRDD employees to resolve certain social disputes within communities.

These findings are interesting because they are not typically part of contemporary development projects. The following sections analyze these issues in detail and provide evidence from the IDA project in AJK to justify the claims made in the thesis. The paper is organized in nine sections. Following this introduction, Section Two reviews the literature on the use of control and discretion in donor-sponsored development projects. Section Three lays out the geographic, demographic, administrative, and institutional settings for the AJK case. Section Four explains the research methodology and the fieldwork techniques employed for the study. Section Five is the first of four sections devoted to the analysis of the case. It outlines in detail the central rigidities in the IDA project and how the exclusive focus on meeting construction targets provided the incentive for several project innovations. Section Six discusses these project innovations and explains how they were institutionalized into regular LGRDD policy. Section Seven explores the relationship between project Engineering and Extension staff, and shows how their mutual cooperation lead to better project results. Section Eight analyzes the role of local politicians in the project, and explains the efforts made by LGRDD to overcome political influence. Section Nine brings the findings from the thesis together to present a 'compromise' model for project management, and draws inferences for future development research.

SECTION TWO

CONTROL VS. DISCRETION IN DONOR FUNDED PROJECTS:

LITERATURE REVIEW AND RELEVANCE TO AJK

Foreign donors have played a significant role in the planning and implementation of rural water supply and sanitation (RWSS) services in developing countries. In the early years of foreign assistance (1950s and 1960s), most aid took the form of program support.¹ This usually involved sizeable infrastructure investments in the water sector through large grants or loans to a central government (Morss, 1984). The guidelines attached to these grants and loans were fairly broad, which allowed local ministries considerable discretion in their spending patterns. For instance, large lump sum loans would be given to federal water authorities for the general extension of pipe networks without specifications on procurement, technological choice, or time period for implementation.

Beginning in the late 1960s, donor agencies started developing more specific objectives in order to ensure that their outlays achieved intended results. Funds began to be allocated to particular 'projects' within the water and sanitation sector. This type of project aid entailed a more specific statement of objectives, more precise monitoring and evaluation than was possible under program assistance, and greater donor control over the use of aid monies (Morss, 1982). The use of projects in international development assistance has grown steadily over the last few decades. Bilateral and multilateral assistance organizations now provide nearly all of their aid through projects. Since its inception, the World Bank Group has made more than 5,000 development project loans worth more than \$100 billion, of which \$1.3 billion has been allocated to rural water and sanitation projects in the developing world (Parker & Tauno, 2000). Other

assistance organizations such as the U.S. Agency for International Development (USAID) also provide the bulk of their financial and technical assistance through individual projects or through programs that have been 'projectized' into well-defined courses of action (Rondinelli, 1983).

Whereas the use of project assistance over program aid has now become widespread, debate persists regarding the way these projects should be implemented. More specifically, two general approaches to project assistance have emerged over time: one that features substantial donor-agency control over project decisions, and the other that promotes more discretion in the hands of local implementation agencies.

Central Control in Donor-Sponsored Development Projects:

Donor agencies have traditionally maintained considerable control over development projects they sponsor. They achieve the most effective control over project implementation by establishing their own project management units (PMUs) through which aid resources are channeled. These units operate largely independent of existing local institutions, with expatriate professionals holding key jobs and temporary field staff directly hired by the unit. The justification for this kind of arrangement is the perception that public agencies in developing countries are weak, inefficient, and corrupt (Black, 1998). Autonomous project management units thus allow highly skilled foreign consultants to spend short periods of time imparting valuable training and technical know-how to local staff. Also, the PMU approach shields the donor development initiative from a considerable amount of red tape and political influence that would have to be faced if implementation is attempted through existing institutions. Governments in poor recipient countries acknowledge the difficulty of administering large projects on their own, and therefore allow this 'take-over' of development sectors by foreign donors because they bring in much needed financial support to the country's resource-starved

¹ For an account of the history of development assistance, see for example Morss & Morss, 1982.

social sectors. In addition, large donor projects are highly visible and are treated as political victories by incumbent governments (Tendler, 1975). Therefore, such projects allow both recipient governments and donors to pursue their agendas without any apparent conflict of interest.

While donor-controlled projects have in the past been the most prominent form of international assistance, they have over the last two decades come under increasing criticism by development theorists and practitioners for not achieving their objectives, and for inhibiting capacity building and institutional learning in developing countries. Some literature even suggests that such projects have become part of the development problem rather than a solution to it (e.g., Morss, 1984). The most significant criticism of such projects has been the failure of foreign technical assistance teams to involve recipient organizations in site selection, technology assessment, construction, and operations and maintenance. In addition, the planning for these projects is mostly short-term, with little emphasis on long-run sustainability. In particular, non-technical aspects of planning such as staff training, community mobilization, and institutional learning are given very little emphasis. The intended beneficiaries thus remain either passive receivers of services, or participate in various pre-determined activities (Therkildsen, 1986). This is partly because user participation conflicts with the desire by donors to control activities from above, and partly because it is simply assumed that planned activities will fit beneficiary needs. Beneficiaries themselves are rarely consulted in decision-making, and involving them in project activities is perceived only to slow down the implementation rate (Therkildsen, 1988).

This push for quick project implementation is driven in part by the professional incentives that staff of donor agencies face. Employees of these donor agencies are traditionally evaluated and promoted based on the number or dollar value of project agreements they finalize rather than on

how effective their projects are in terms of capacity building, service delivery, and sustainability. As a result, donor agency staff works very hard in the initial period trying to get a project approved. Once the project receives board approval – and their performance duly marked on the evaluation register – their interest is often re-oriented towards identifying new projects (Davis & Whittington, 1994). Thus, by not focusing on the actual project implementation phase, the long-term sustainability of project assistance is jeopardized. As a result, schemes often cease to function soon after being handed over to their users or to the responsible local institutions, since neither are capable of sustaining the desired level of performance.

The arguments above suggest that the high degree of central control exercised by foreign donors limits the long-term capability of recipient organizations to take over the management of donor-assisted projects. Indeed, evidence from actual projects confirms this conclusion (Morgan, 1983; Morss, 1984; Cassen, 1986). Not only academic literature, but donor agencies now themselves recognize the shortcomings in their planning, and put forward a new ‘adaptive’ approach that allows more flexibility and local discretion in project decisions (Therkildsen, 1986; Garn, 1997; Black, 1998; Parker & Skytta, 2000).

Community Control in Project Implementation:

Donors now recognize that the complexity and uncertainty of social sector activities and the context in which they are carried out require a more flexible and adaptive approach to planning and implementation (Therkildsen, 1988). Unlike control-oriented planning, this adaptive approach emphasizes that local institutions and beneficiary communities assume a more participatory role in project implementation. In fact, active user participation is often regarded as a necessary pre-condition for external assistance, and as an integral part of its planning and execution. Yet, it is important to distinguish what kind of participation is needed. For instance, evidence from several donor sponsored projects suggests that even though local governments

and communities may be *participated* (i.e. they are made aware of what is being offered through the project), they are often not *consulted* in designing the project, and most of the technology choice and scheme selection decisions are still made exclusively by donors.

The main intention of introducing the adaptive method to projects, however, is to *listen* and *respond* to local demands, and customize the project to best suit the needs of beneficiary communities. This kind of *demand-responsive* approach² allows consumer demand to guide investment decisions, which in turn promotes a more appropriate selection of the level of service, technology, and location by the implementation agency, as well as a proper understanding of the costs and responsibilities by beneficiary communities. Because the success of the demand responsive approach depends on people making informed choices, the World Bank and other donor agencies encourage their project staff to place greater emphasis on providing information and education about their projects at the household level. They also emphasize that, before communities are selected, project staff should inform community members of the type of assistance they offer and the eligibility requirements that must be met. The community participation component also carries through in the design and implementation of projects. Project staff should ensure that people are aware of what is being offered, at what cost, and what their monetary and in-kind contribution towards operations and maintenance would be. In essence, donor agencies feel that the demand-responsive approach will promote beneficiary communities to express their demands for their preferred type of technology (public standposts or private connections) and scheme sites, after they have been adequately briefed on the costs and benefits of all available options. These demands can then be incorporated into the project implementation process which will ensure the future sustainable use of these water and sanitation schemes.

² For a detailed discussion of the demand-responsive approach, see for example: Korten, 1982; Cassen, 1986; Black, 1998; and Parker & Skytta, 2000

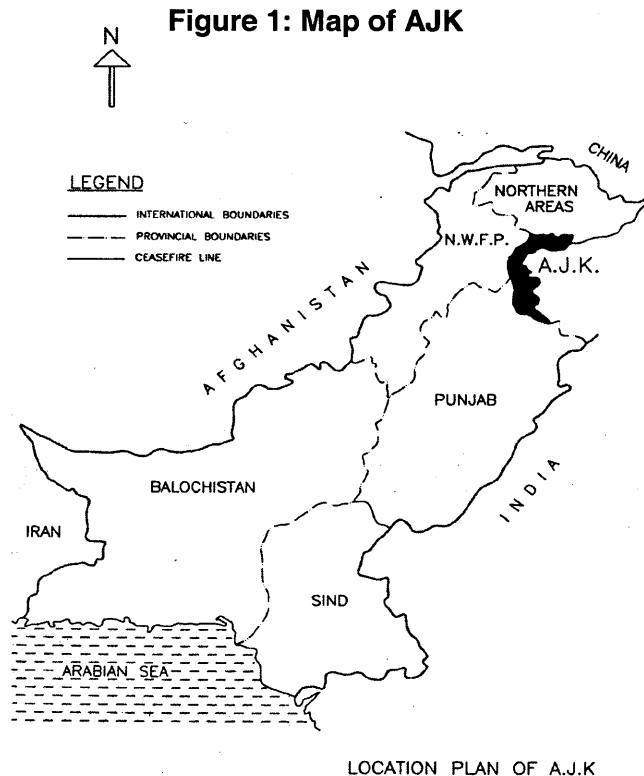
Despite the fact that the demand responsive approach advocates active local involvement in project decision-making, some form of central control is still desirable. In fact, most decentralized programs are a mix of both local and central (Tendler, 1997). A combination of centrally controlled and decentralized, discretion-based activities can provide both motivation and oversight that can lead to project success. By discussing the mechanics of the IDA project in AJK, which was conceived as a demand-responsive project, this paper will show how a significant degree of central control in LGRDD's decentralization experience made it more responsive to community needs, more accountable to local level project implementation, and more transparent in project operations.

SECTION THREE

CASE SETTING

Surrounded by the northern borders of India and Pakistan, Azad Jammu & Kashmir (AJK) is 5,134 sq. miles of mostly hilly and mountainous terrain. The area is home to Mount Godwin Austen/K2 (8,611m/28,250 ft) and Mount Nanga Parbat (8,123m/26,650 ft), two of the world's highest peaks. The climate is characterized as sub-tropical highland with an average annual rainfall of 150 cm. Weather conditions are extremely harsh, with temperatures varying from -20 degrees Celsius in the winter months to 40 degrees

Celsius in the summer. The elevation ranges from 6,325 meters in the north to 360 meters in the south where the terrain is relatively flat. The region is rich in perennial springs, which along with the three main rivers – Jehlum, Neelum, and Poonch - are the primary sources of domestic water supply. Typically, water is obtained from aquifers between 2-20 meters deep using mechanized tube wells and hand pumps. According to 1999 estimates, 81% of the urban population has access to piped water supply through private house connections, and another 3% through public standposts. In rural areas, the water supply coverage has improved sharply over the last ten years because of the IDA project. From 42% in 1990, the piped water coverage increased to 70% in 1999, and primarily through public standposts that draw water from open



surface springs.³ Prior to the project and presently in villages without piped water coverage, women and children are responsible for fetching water from spring sources usually located 1-3 miles away.

The total population of AJK is estimated at 2.9 million, with an annual growth rate of 2.3% (including migration).⁴ Villages range from small and remote pastoral settlements of 10 households with 6-8 members per household to larger communities with 200 or more households. Despite the fact that the hilly terrain permits only scattered settlements, the overall population density is quite high – 140 people/sq. mile in AJK as compared to an average of 103 people/sq. mile in Pakistan as a whole. Individual villages are identified by their clans and religio-political affiliations. Clans generally trace back to common ancestors and have over time spread out across communities. It is thus not uncommon to find several different clan settlements in the same village. The majority of the population is Muslim, though there are some ethnic divisions. There are two main political parties: the conservative *Peoples Party*, which is dominated by local landlords; and the relatively liberal *Muslim Conference*, which is led by local business groups. Party loyalties are based mainly on ethnicity and family associations rather than policy platforms, resulting in little movement across party lines. While disputes based on such clan and sectarian differences do arise, they rarely turn violent.

The urban sector in AJK is fairly small, with 88% of the people living in rural areas. The main source of domestic income is farm cultivation and the major crops grown are maize, wheat, and rice. Yet only 13% of the total AJK territory is used for cultivation activities. A large proportion of land is forest area, most of which is controlled by the government. Further, the harsh climatic conditions limit the types of crops that can be grown in the region. As a result, the Government

³ Government of AJK: *Planning and Development Department Annual Statistics*, Statistics Section, 1999.

of AJK relies mainly on external sources of finance to drive its economy. According to 1999 estimates, the State's forest revenue accounted for 16% of total expenditure, and local taxes and charges another 12%; the balance was financed by the Government of Pakistan. The AJK government has incurred increasingly large annual deficits over the past several years, which have been financed by short-term borrowing from its *Ways and Means* account with the Government of Pakistan. The expenditure priorities in the State are directed mainly towards electric power generation (29% of total expenditures), education & health (20%), and debt servicing (20%). Water and sanitation spending forms only 1.3% of total expenditures.

Administrative Framework:

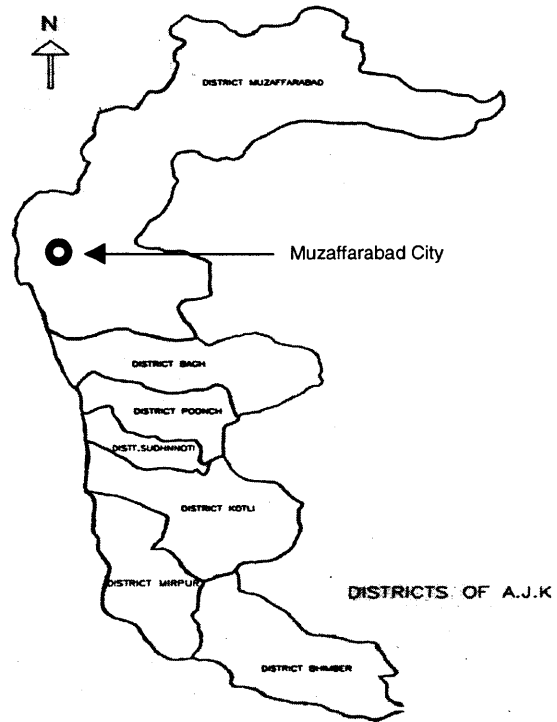
The semi-autonomous State of AJK was created in 1947 under the Indian Independence Act (1947) and the Partition Plan (June 1947), as the British rule in the region ended. The State structure consists of a parliamentary form of government that functions under the *Azad Jammu and Kashmir Interim Constitution Act* (1974). The Legislative Assembly consists of 40 elected and 8 appointed members, and is headed by a popularly elected Prime Minister. The President acts as the Head of State, while the Prime Minister, supported by a council of Ministers, is the Chief Executive. The elected government has authority to rule on all policy matters other than defense, security, currency, external affairs, and foreign aid. As per a cease-fire ruling of the United Nations Commission on India and Pakistan (UNCIP) after the independence struggle of 1947, these activities fall under the control of the Government of Pakistan.

AJK is divided into two administrative divisions, Muzaffarabad and Mirpur, which together comprise seven Districts. The Muzaffarabad division includes the Muzaffarabad, Bagh, Poonch,

⁴ Government of Pakistan: *Population and Housing Census*, Population Census Bureau, March 1998.

and Sudhnoti Districts, whereas the Mirpur division comprises the Mirpur, Kotli, and Bhimber Districts. Muzaffarabad is the capital city of AJK.

Figure 2: Districts of AJK



Institutional Structure:

Under the Pakistan Federal Constitution, Provincial and State governments have responsibility for water & sanitation, health, and local government affairs. The Federal government, though, has considerable influence over the planning process. Five-Year Development Plans are prepared by the Federal government at the Ministry of Planning and Development (MPD), which acts as a Secretariat of the Planning Commission. Water and sanitation investment decisions specifically are the responsibility of the Physical Planning and Housing Section, which is a sub-section of the Planning Commission.

At the Provincial/State level, water and sanitation sector activities are coordinated by the respective Planning and Development Departments. Urban sector activities are undertaken by

the Public Health and Engineering Department (PHED), and rural areas are the responsibility of the Local Government and Rural Development Department (LGRDD).

AJK Institutional Profile:

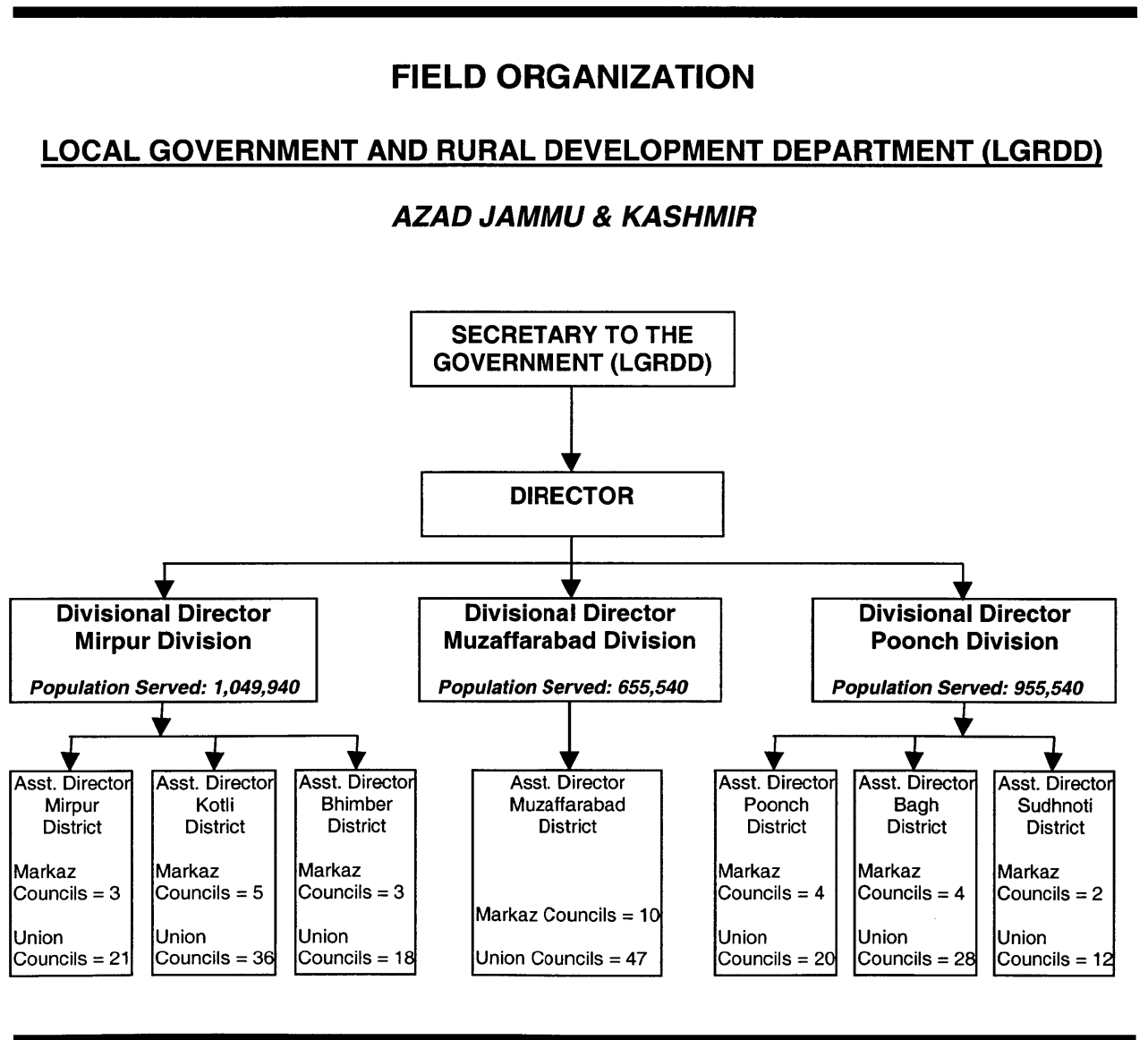
According to the *Local Government Ordinance of AJK* (1988), the LGRDD is responsible for the development and administration of rural areas and for the electoral process. The LGRDD structure consists of 7 *District councils*, 31 *Markaz councils*, and 180 *Union councils*, all with elected representatives and bureaucratic career staff. The elected members serve on District, Markaz, and Union council committees and are responsible for preparing council budgets and formulating development policy for their respective constituencies. In reality though, elected member representation at the Union council level was discontinued in 1996, and no elections have been held since. The exact reason why this happened is unclear, but according to many LGRDD employees, a probable cause was the difference in policy agendas between District and Union Council representatives, with the former asserting the policies of the ruling political party, and the latter representing the voice of the people. This is not to say that policies were deliberately made against the will of the people, but in some instances, these policies represented political motives that did not necessarily benefit all communities.

In addition to the elected officials, the LGRDD structure consists of some 620 core bureaucratic career staff, distributed at all levels of government comprising 19 senior staff at the Directorate; 90 Assistant Directors, Engineers, and Project Managers at District and Markaz levels; 281 Union Council Secretaries; and some 230 administrative/support staff (World Bank, 1991).

Each District council office is headed by an Assistant Director (AD), who is an appointed person from the bureaucracy. The AD is responsible for examination of council budgets, processing of appointments and projects, and supervising the activities of the District level staff. The Assistant

Engineer prepares project feasibilities, does site inspections, and gives certification for payments. At the Markaz level, the staff comprises a Project Manager, a Sub-Engineer, a Supervisor, and an Accounting Clerk. The Supervisor oversees the working of the Union Council Secretaries within the Markaz (World Bank, 1991). These Union Council Secretaries are appointed directly by the ruling political party and are responsible for the administration and finance of Union Councils, and for mobilizing communities through awareness campaigns.

Figure 3: LGRDD Field Organization



District and Markaz councils are jointly responsible for coordinating development activities in rural areas within their respective Districts. Responsibilities are shared amongst the two organizational tiers, with the Markaz councils reporting their activities directly to District level heads. Rural water supply and sanitation (RWSS) sector obligations include: provision of water supply through construction, repair, and maintenance of water works and the sources of water supply; furtherance of civic education, and dissemination of information on hygiene and community development; and drainage & sanitation. Union councils are the most local level of government in LGRDD. They are responsible for detecting and prohibiting the use of water from contaminated sources; provision and maintenance of wells, water pumps, tanks, and ponds; and adoption of measures for prevention of water source contamination (World Bank, 1991).

Case Background:

The LGRDD has been involved in the task of providing clean drinking water to rural populations in AJK for many years. During the period 1947 to 1980, a variety of programs were implemented under the titles of Village-AID, Basic Democracies, Integrated Rural Development, and Peoples Works Program. Despite these efforts, the rural water supply coverage at the beginning of 1980 was only 30%. Around the same time that the LGRDD was struggling to provide water to AJK's rural communities, the world intellectual and development community declared the period 1980-1990 as the "International Decade of Water Supply and Sanitation", under the sponsorship of the United Nations (UN).

The decade was supported by a water and sanitation program in AJK funded by the United Nations Children's Fund (UNICEF). As part of the program, a Water and Sanitation Cell was established within LGRDD, which coordinated all sector activities. The water supply schemes were mainly small-scale, community-managed, and gravity-fed; the sanitation programs mainly consisted of demonstration latrines in schools and health clinics. Training to facilitate correct

latrine use and construction was given through LGRDD hygiene promoters during the installation of the demonstration latrines. In order to promote latrine use, villagers were required to buy basic latrine pans before they could apply for a piped water scheme. This policy, however, was not particularly successful because it disqualified many villages where community members had a genuine need for piped water supply because the nearest source was located far away, but could not afford to purchase latrine pans from the LGRDD. Further, LGRDD experienced long delays in the delivery of latrine pipes and pans from suppliers, which delayed the scheme implementation process in many villages. In the absence of piped water, village women and children were usually responsible for fetching water from nearby natural springs. Often these springs were located 3-4 miles away, and the trek was made even more difficult during the snowy winter months and the summer monsoon season.

Despite the efforts to provide water and sanitation in AJK through UNICEF, the size and scope of these schemes was fairly limited. By 1990, 42% of households in AJK had piped water supply, an increase of merely 12% in a decade; and only 1.5% had adequate sanitation facilities available to them. It was under these conditions that the International Development Association (IDA) RWSS project was launched in 1991. The aim of the project was to increase water supply coverage in AJK to 75%, and sanitation coverage to 8% by the year 2000. As outlined in the initial planning document, the objective of the project was *“to improve rural productivity and health particularly of women and children, reduce poverty and deprivation in rural areas of AJK by increasing coverage and service levels of rural water supply and sanitation”* (World Bank, 1990).

The Government of Pakistan first requested IDA to assist in developing the country's RWSS sector in July 1987. Following a joint sector review in late 1987 (Report No. 7060-PAK, World Bank, 1987), the World Bank organized a national Workshop and Policy Conference in April

1998 to enable sector agencies to share experiences and discuss problems faced in the field. Following this meeting, the IDA project negotiations officially began between the Government of Pakistan and the World Bank. In June 1989, the first project appraisal document (Report No. 8345-PAK, World Bank, 1989) was released which outlined the specifics of the IDA project. According to the report, the proposed IDA project would finance a RWSS investment program in State of Azad Jammu & Kashmir, and the Provinces of Baluchistan and Sindh over a period of nine years (1992-2000). The total cost of the project at the time of inception was estimated at Rs. 4,530 million (US\$ 194.2 million). This cost was to be financed by an IDA credit of US\$136.7 million, and the remaining balance by the respective Provincial and State governments (83%), and beneficiary communities (17%). The Governments of AJK, Baluchistan, and Sindh were to respectively receive US\$28.0 million, US\$37.8 million, and US\$70.9 million. The chief organizer of the IDA project was the World Bank, and the main implementing agency in AJK was the LGRDD; in Baluchistan were the PHED and LGRDD; and in Sindh were the PHED and the Rural Development Department (RDD).

SECTION FOUR

FIELDWORK AND METHODOLOGY

The findings of this paper are based primarily on a series of interviews and meetings with LGRDD staff and rural beneficiary communities in AJK, conducted over a period of ten weeks in the summer months of 2000 and two weeks in January 2001.⁵ After briefings and secondary data review at the Water and Sanitation Program (WSP) regional office in Islamabad, primary data collection through interviews and group meetings was undertaken with LGRDD management at the Directorate in Muzaffarabad; residents of six beneficiary communities in District Bagh; and the National Rural Support Program (NRSP), a national level NGO working on RWSS in select areas of AJK.

Time and resource constraints precluded the drawing of a rigorous random study sample of villages in all seven Districts of AJK. Instead, District Bagh was selected purposively, with the intent of representing the range of residents' existing water supply and sanitation services and socioeconomic characteristics. District Bagh offered a reasonable mix of both functional and non-functional water schemes, and was considered to have "typical" socioeconomic and demographic characteristics relative to all AJK Districts.

Data in the District were collected primarily through interviews with LGRDD staff members at the District office, individual meetings with District and Markaz council representatives, and group discussions with community members in six villages. These six villages were selected based on their population levels, scheme technology, and scheme status (summarized Table 1).

⁵ For a complete listing of organizations visited and individuals interviewed, please refer to Appendix A.

Table 1: Scheme Characteristics for Selected Villages

Scheme Name	Population Served	Scheme Technology	Scheme Status
Cheperian	1,154	Gravity	Dysfunctional
Chinar Mang	1,367	Gravity	Functional
Chowki Khawas	1,080	Gravity	Functional
Dhakki	1,253	Gravity	Functional
Pail-Sarmandal Kiniat	720	Electric Pump	Functional
Punyalee	5,125	Gravity	Under Construction

The meetings in villages were designed to learn how beneficiary community members perceived their existing water and sanitation situation, and how they organized themselves during scheme implementation and maintenance. Each meeting was convened by the respective Water and Sanitation Committee (WSC) Chairman and facilitated by the LGRDD staff responsible for that specific village - usually one male and one female Extension Worker, and one sub-engineer. The meetings lasted one to two hours, and attendance varied from 20 to 50 people. All meetings and interviews were conducted in Urdu, the language spoken by virtually all residents. Women were especially encouraged to speak in these meetings, and whenever possible, were interviewed separately for their exclusive opinions. The information gathered from these interviews was then used to pose a final round of questions for senior LGRDD staff at the Directorate in Muzaffarabad.

The six villages were chosen purposively to have dissimilar demographic and water scheme characteristics in order to make substantive comparisons between schemes. Despite their differences, interviews and observations revealed striking similarities in community strategies for demanding services and interacting with the LGRDD. Rather than focusing on significant

variation among the six cases – though there were some – this paper highlights the common trends in water supply struggles in these distinct settings.

SECTION FIVE

CENTRAL RIGIDITIES AND THE FOCUS ON CONSTRUCTION

The IDA project in AJK is often exemplified as a case of successful decentralization. Indeed, the decentralization effort by LGRDD represents a major step towards improving project staff responsiveness. In 1995, four years after project inception, LGRDD created new posts in each of AJK's seven Districts and sent at least two qualified engineers and 3-4 Extension Workers to each District to carry out the implementation of the IDA project at the District level. As a result of this *localization* of service delivery, the project scheme completion rate improved dramatically. The case of LGRDD's successful decentralization even appeared in a World Bank Global Study on water and sanitation initiatives in developing countries.⁶ The study – which looked at rural water supply 'success' stories in Benin, Bolivia, Honduras, Indonesia, Pakistan, and Uganda – found that employing a demand-responsive approach at the decentralized community level significantly increased the likelihood of system sustainability. However, the study did not explore the reason why the decentralization effort in AJK was undertaken in the first place. The impetus for decentralizing the implementation of the IDA project actually came from a World Bank Mid-term Review (MTR) mission that visited AJK in 1995, and expressed disappointment at the slow pace of project scheme completion. In fact, the Bank threatened to cut the AJK credit by 30% unless certain annual construction targets were met in the ensuing years. It was this focus on scheme construction targets that encouraged the LGRDD to decentralize its implementation in order to achieve better project results.

Even in the decentralized settings, the LGRDD field staff and beneficiary communities faced several inflexible project rules that were imposed either by the World Bank or the central

LGRDD Directorate. Despite some of these rigidities, the pressure of meeting World Bank construction targets provided the motivation and drive for several project innovations, which would otherwise likely have not taken place. The LGRDD Directorate was keen on maintaining the World Bank credit and was thus eager to quickly resolve any implementation obstacles that hindered scheme construction. Hence, a mix of centrally-controlled and decentralized, discretion based activities provided both motivation and oversight that resulted in a successful project.

While some of the project activities and actions were deliberate and conscious attempts at improving project performance, other decisions made during the course of the project inadvertently helped the LGRDD produce better results. For instance, as part of the water scheme agreement between LGRDD and beneficiary communities, community members in every village were required to provide labor for carrying pipes and laying them in accordance with LGRDD technical guidelines. The decision to make communities responsible for providing this labor was made simply because LGRDD did not have the manpower or resources to conduct this activity on their own. Only communities that were willing and able to provide the necessary labor for construction were granted water schemes by LGRDD, and therefore had to organize and prepare themselves internally for this task before they could apply for an IDA scheme. The LGRDD thus created a “demand filter” to judge community demand for water projects. As will be discussed later in this section, the LGRDD employed a series of such tests for communities throughout the scheme construction process to ensure that there was adequate demand for water. What is unusual is that instead of a one-time ‘willingness to pay’ study which is quite commonly used in contemporary development projects, the LGRDD used this system of demand filters that helped the agency to continuously monitor community demand.

⁶Katz, Travis and Sara, Jennifer: *Making rural water supply sustainable: recommendations from a global study*, UNDP-World Bank Water and Sanitation Program, 1998.

This section first explores the nature of the central rigidities in the IDA project, and then discusses the focus on the centrally imposed construction targets and their effects on project implementation. The section also explains the system of demand filters employed by LGRDD and how this mechanism helped achieve better project results.

Central Rigidity:

The IDA project in AJK was designed and organized to be demand-responsive, community driven, and locally executed. Yet many aspects of the project were still highly central, with communities and decentralized agency staff facing rigid project rules and regulations from the central Directorate and the sponsoring donor agency. At times, these project rules were institutional hurdles for the District LGRDD staff and beneficiary communities. For instance, even though beneficiary communities were involved in scheme implementation and were responsible for operations and maintenance, they were not given a choice of scheme technology. Public standposts were the only available option, even where communities demanded and were capable of paying for private house connections. The non-availability of substitute sources of water, though, encouraged communities to accept these standpost schemes despite their mismatch with consumer demand. Villagers much preferred collecting water a few yards away from home than to have women and children fetch it from open springs 3-4 miles away. As it turned out, these villages initially went along with the standpost schemes but later installed their own informal rubber-pipe connections to individual homes in order to fulfill their original demands.

Such evidence from the field suggests that the non-availability of substitutes was a crucial factor in encouraging people to apply for these standpost schemes in the first place, despite their demand for private connections. What is interesting though is that the IDA project did not provide communities with a choice of scheme technology, despite this being heralded as a

demand-responsive project. Had alternative sources of water such as private wells been available in AJK, a lot of villages would likely not have been interested in the IDA schemes at all since these schemes did not match their demands for household connections. Therefore, an important lesson that emerges for future donor projects is that local implementation agencies should be provided the discretion and leverage to adapt scheme technology to the demands of individual villages. Only then can community demand-responsiveness be truly addressed.

Yet, it is important to understand why the World Bank insisted on providing standpost schemes instead of private house connections. During interviews, LGRDD Directorate staff explained that the World Bank was concerned with the spring sources drying up, and not having the capacity to sustain private water provision. Hence, the Bank did not want to risk providing private connections, which would invariably mean that more water per household is consumed as people start using clean drinking water for non-essential activities such as taking longer baths, washing clothes and dishes, etc.

The World Bank did, however, allow villages to switch to private connections after the first two years of a standpost scheme. This project rule tends to suggest that the World Bank was in fact concerned with the 'maturing of communities.' The Bank wanted beneficiary communities to first prove that they were capable of managing an independent standpost scheme before they were allowed to have their own house-connections. Hence, the scheme selection was separated into two stages: one in which the village itself was selected for a standpost scheme; and the other in which households were awarded private connections for successfully managing the standpost scheme for two years.

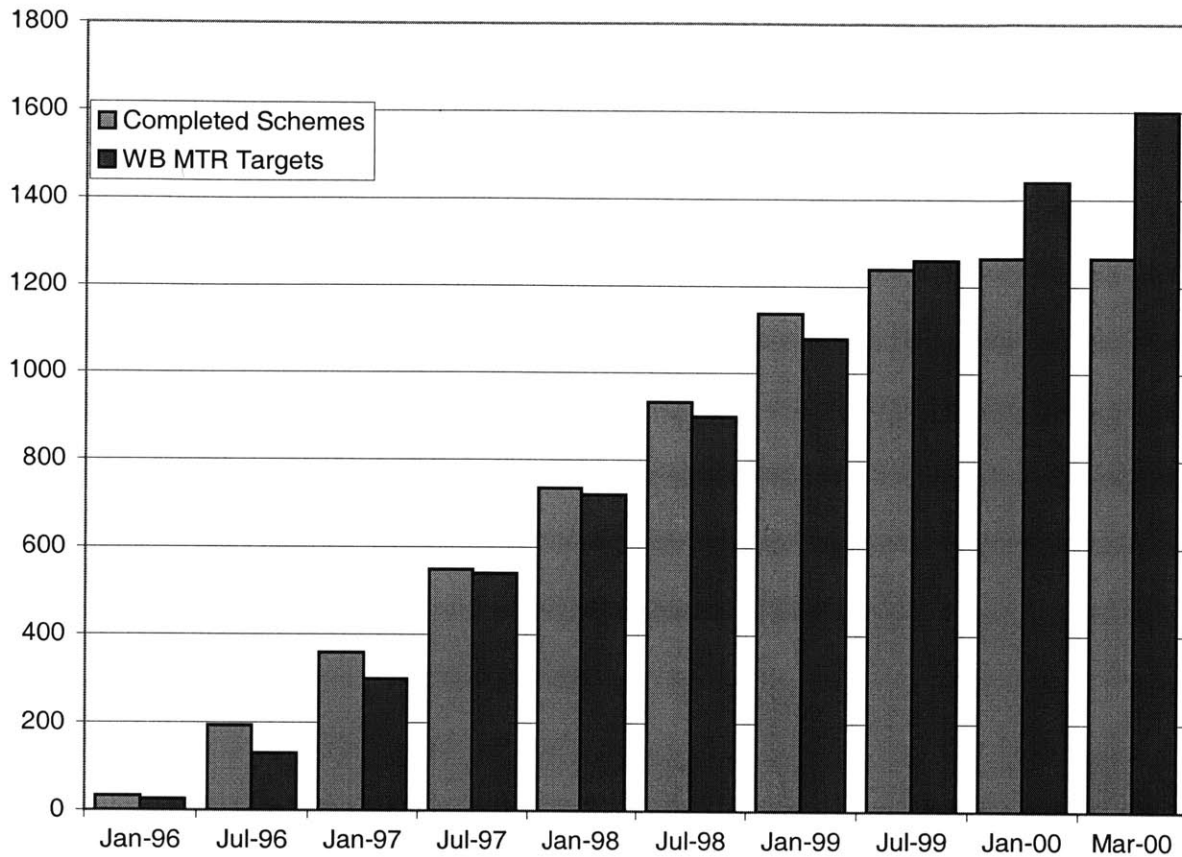
Focus on Construction Targets:

In addition to focusing exclusively on standpost schemes, a major issue in the IDA project was meeting scheme construction targets. These construction targets were set after a 1995 World Bank Mid-Term review expressed disappointment at the scheme completion rate in the first four years of the project. Yet, during interviews, the LGRDD senior management defended their pre-1995 performance and insisted that the initial four years of the project were used to enhance the institutional capacity of LGRDD so that the agency would be capable of handling and coordinating the project's large-scale construction activities. Such 'capacity building' exercises included administrative expansion, hiring of new temporary staff and consultants, technical and field-based training, preparation of training and procurement manuals, etc. In the end, the LGRDD did manage to reach and sometimes exceed the construction targets set by the World Bank MTR, but it had to initiate a series of project innovations, as will be discussed in the next Section, in order to strike a balance between building institutional capacity and meeting construction targets.

Until March 2000, approximately 2,209 rural water supply schemes had been designed, with 1,264 of them completed and handed over to the communities. About 236 schemes were under construction and due for completion by July 2000. The comparison between the number of schemes completed and the targets set with the World Bank mid-term review shows that the LGRDD in fact exceeded the targets for most of the years.

Figure 4: World Bank Mid-Term Review Targets and LGRDD Performance

Achievements vs. Targets



(Source: Local Government and Rural Development Department, Government of AJK, 2000)

Even though the central focus throughout the project was on improving the scheme turnover rate, it was this constant push by the World Bank that made the LGRDD Directorate and project employees work as hard as they did. Even the large-scale decentralization effort that was undertaken by LGRDD in 1995 was in response to the World Bank MTR dictates. Typically, government organizations in developing countries are highly bureaucratic, inefficient, and sometimes corrupt. These organizations are also perceived to be overly centralized, inflexible, and “supply driven” (Tendler, 1999). Staff members in these government run agencies are

thought of as being complacent and unmotivated. As a result, delays in project implementation abound, with little effort or incentives to improve performance. Given these typical conditions in government run agencies, the push for meeting construction targets actually provided the incentive and motivation for LGRDD staff to improve their performance. Because the World Bank threatened to cut its project credit by 30% if the construction targets were not met, the LGRDD was very keen on resolving any implementation problems that slowed down the project.

In order to further motivate LGRDD staff, the World Bank sponsored the use of public signboards to signify all completed water schemes. Each scheme had its own signboard that was erected on a nearby main road depicting the major attributes of the water scheme and the beneficiary village. The signboards created a sense of self-fulfillment amongst LGRDD employees, and reminded everyone of what the institution had achieved. The LGRDD project staff found this a great form of appreciation and advertisement of their work in the field, and took pride in relating themselves with the World Bank. In fact, the project staff insisted on calling themselves "IDA staff" rather than LGRDD staff. By associating themselves with IDA and the World Bank, the LGRDD project staff was able to gain the trust and support of communities who were generally very disappointed with the LGRDD and its past efforts at providing them piped water. Indeed, the LGRDD's earlier performance in the water sector was not very good with less than half of AJK's population having access to piped water supply at the start of the IDA project in 1991. Community members thus did not believe that LGRDD would be capable of providing them water even through IDA funds. The LGRDD project staff therefore started identifying themselves as IDA staff to gain the support of these community members. During interviews, the District Bagh project staff themselves said, *"we will go to areas where no one else will go,"* thus signifying the fact that they were providing water even to remote areas where no previous efforts had been made by government agencies to supply water.

Community Demand Filters:

While some of the IDA project activities in AJK were deliberate attempts to improve project results, there were a few decisions made during the course of the project that indirectly contributed to successful project outcomes. One of the most important project design features was the use of a series of demand filters. For example, beneficiary community members were required to provide their personal or privately hired labor for carrying pipes simply because the LGRDD did not have the manpower or resources to carry out this activity on their own. Community members made a substantial labor contribution to their respective schemes by carrying the water pipes from where they were dropped off by LGRDD trucks, and laying them in accordance with the LGRDD design. On average these pipes weighed about 40 kilograms each, and the hilly terrain and restricted road access made it even more difficult to transport them on foot. It was the duty of the Water and Sanitation Committee (WSC) to ensure that at least one member from each household in the community participated in this activity. Households that were unable or unwilling to provide labor were required to hire contract workers to work on their behalf.

The responsibility for coordinating the laying of pipes was left to the village WSCs, who devised a range of locally-appropriate strategies. For instance, in village Chinar Mang the pipe length from the water source to the village was divided into 4 sections and the responsibility for laying the pipes in each section was given to 4 different clans in the village. These arrangements for scheme construction had to be in place in each village before scheme implementation began. Communities were also responsible for paying for the construction of water tanks in the scheme design that were under the 5,000 gallon capacity; the cost of larger tanks was covered from LGRDD funds. Once the construction of these tanks was completed and community civil works finished, only then were the water pipes for the scheme supplied to the community.

Thus, at each step of project implementation, communities faced a challenge that forced them to re-examine their water supply needs and decide whether to mobilize the necessary resources to move forward with scheme construction. This process of demand filtering played a crucial role in ensuring that participating communities were those with a high level of demand for improved water supply service.

Conclusions:

In spite of the substantial decentralization and increased discretion to field staff, the IDA project managed to retain a high degree of accountability among staff and between staff and communities. Also, despite certain central rigidities, the extensive focus on construction targets actually provided the impetus for several project innovations, as will be discussed in the next section, and improved project staff performance. Also, quite unintentionally the design of the project contributed to better project performance as well. The extensive use of tests and *demand filters* to judge community demand at various stages of scheme construction ensured that only the communities that had a real need for piped water, and were willing and capable of fulfilling the scheme criteria were awarded water schemes. The lesson for future development projects is that a series of demand filters can be considered instead of a one-time 'willingness to pay' survey, especially in cases where future community demand is uncertain or indeterminable at project inception. Indeed, communities have the incentive to overstate their demand for water at the start of a project just to ensure that they get awarded a water scheme. However, problems usually arise during scheme implementation when a certain portion of the village refuses to contribute either physically or financially to the construction process. Hence, instead of using a one-time demand assessment analysis at the start of the project, future development projects can think about employing a series of such demand analyses or filters to continuously test whether there is a genuine demand for water in the village. This system can not only fulfill actual community demand, but can also contribute to scheme sustainability.

SECTION SIX

INSTITUTIONAL LEARNING AND PROJECT INNOVATIONS

During the course of the IDA project in AJK, the LGRDD managed to introduce several innovative project rule changes that helped overcome certain implementation failures and difficulties faced in the field. This experience of LGRDD is an example of institutional learning that encourages learning by doing and promotes institutional mechanisms that allow project rules to be revised through feedback from the field. This iterative process of solving problems is quite unusual in development projects where project plans are typically finalized before implementation actually begins and are often quite rigid. As detailed in the previous section, a large part of this rigidity corresponds to the rules and regulations imposed by donor agencies. Even when implementation is carried out through local public agencies, the project rules and regulations are usually made at the central headquarters and are generally quite inflexible. One of the main reasons why project decision-making is central and rigid is the hierarchical nature of public service agencies in developing countries. Officers in these agencies are promoted primarily on the basis of seniority rather than merit, and project decision-making is perceived to be the responsibility of only the elite staff (HDSA, 1999). In such settings, junior agency staff that work in the field or in decentralized agency offices rarely have the opportunity to voice their opinions and concerns about the project to their senior counterparts. As a result, the senior staff remains disconnected from the problems being faced in the field, and thus rarely allows adjustments in project rules.

The LGRDD experience, however, was quite different. Instead of neglecting the views and opinions of junior staff, the senior LGRDD Directorate staff *listened* to what their junior employees had to say, took notice of the problems and issues being faced in the field, and

sought solutions through joint-consultation. As part of a decentralization effort undertaken by LGRDD in 1995, a system of six-monthly work plan meetings was introduced with the twin purpose of providing junior staff with a forum to express their opinions to senior staff, and providing the Directorate staff with an accountability structure to monitor District staff performance. This process involved regular six-monthly meetings in which the entire LGRDD project staff from all Districts met at the Directorate and discussed their progress and problems in the field. Initially, only the Assistant Engineers from Districts were invited to attend, but soon it became clear that most of the problems that arose in the field were not technical but rather of social nature. Henceforth, the Extension staff was also required to attend these sessions. The District staff was asked to prepare a monthly progress report and submit it to the Assistant Director of their District, who then compiled reports for six months and presented them to the Directorate staff at the work plan meetings.

The field staff found this system of regular meetings to be extremely useful as it allowed them to voice their concerns and opinions about their work to the highest authority. The junior field staff was very impressed that they were not only allowed, but in fact required to speak to their senior Directorate staff in these meetings. Each project employee was called upon individually to present the status of his or her schemes, what problems s/he was facing, and on which areas s/he required advice or assistance. These workers had to present their reports in the presence of the entire LGRDD project team from all districts. Most of them reported feeling nervous and anxious before the meetings. Yet, they considered these meetings as an opportunity to share their ideas and learn from similar experiments in other Districts. The Director of LGRDD himself chaired these meetings and judged performance on every scheme. He provided his comments and advice in areas where field workers were facing problems or constraints. Good performance was always lauded, which provided a strong impetus for District staff to perform well in the field. Even though no cash bonuses were awarded, the District staff felt that the vocal appreciation

from the Director in front of the entire LGRDD staff was a strong impetus to improve performance in the field. The organization of these project staff meetings is a stark contrast to the typical government agency hierarchical style in which junior staff is rarely allowed to speak or voice their concerns.

Accountability Through Peer Pressure:

In addition to providing junior LGRDD staff the opportunity to discuss project issues with their senior counterparts, the purpose of the six-monthly work plans was to make LGRDD District staff more accountable to the Directorate and more responsive to beneficiary communities. The LGRDD project staff was paid out of the development budget of LGRDD rather than the recurrent budget, and thus could in principle be dismissed at any time. In reality, however, such action was never taken throughout the project period. There were a few cases of lighter punishment such as withholding of salary for a full month, or temporary suspension without pay. Although the project staff had no legal employment protections, they had substantial social protections in the form of office peer support. The Additional Project Director of LGRDD himself stated in an interview that project staff “couldn’t be fired” because if one person was fired from the office, the rest of the staff would resign in protest.⁷

Given the fact that LGRDD workers were *de-facto* unionized, the 6-monthly work plan meetings provided a mechanism for ensuring good performance in a situation where the traditional system of firing people was not an option. Because these workers had to present their project results in front of their colleagues, they could easily be shamed if they had performed poorly in the field. In fact, the field staff felt that they were in direct competition with their project counterparts in other districts, and hence paid even more attention to their schemes and

⁷ Excerpt from interview with Additional Project Director, LGRDD.

completion rates. Hence, by utilizing peer pressure as motivation for good performance, the LGRDD Directorate was able to inspire project field staff to make an extra effort in their job.

In addition, by encouraging junior staff to provide their continuous input, the senior policy making circle of LGRDD gained first-hand knowledge of what was going on in the field and what problems were being faced. Many of these problems would otherwise go unreported, but because senior staff valued the opinions of their junior colleagues, the junior staff felt encouraged to report and discuss all types of difficulties they faced during implementation. By discussing these problems together, the LGRDD senior and junior staff was able to formulate innovative solutions and at times revise project rules if necessary. The following sub-sections detail how such institutional learning and project innovations took place.

Learning By Doing:

During the initial training of project field staff by foreign consultants, the LGRDD District staff realized that the women extension workers were not being allowed by their families to travel alone to Islamabad where the trainings were being conducted. In order to overcome these cultural restrictions, a dedicated training institute was established by LGRDD in *Gharee Dupatta* – a city in AJK. This training institute was not part of the initial project design and was only institutionalized after the problem of female staff traveling alone was brought to the attention of the District Assistant Engineers by female Extension Workers. The Assistant Engineers discussed the issue with Directorate staff in Muzaffarabad, who then decided to establish a women's training institute in AJK. This institute is still operational today and is managed by the LGRDD.

Another case of institutional learning by LGRDD was the incorporation of a plumber training program in all beneficiary villages. This is also an instance where partial privatization of

plumbing work was initially attempted by LGRDD, but it failed. What is interesting though is that instead of reverting to some form of centralized agency maintenance, the LGRDD decided to further decentralize and make the communities directly responsible for the plumbing tasks. The LGRDD District staff played a crucial role in providing on-site basic training to the selected individuals from each village, who were then responsible for managing minor leaks and general repairs of the pipeline.

In all initial water schemes, the LGRDD recommended that the Water and Sanitation Committee (WSC) of the village hire a private plumber to maintain the water pipeline on a full-time basis. However, several villages had a bad experience with this arrangement. For example, In order to earn extra money, some plumbers started tapping illegal connections for households in surrounding villages. This issue was first brought to the attention of LGRDD Extension Workers in District Bagh by distraught WSC members in the affected villages. Initially, the Extension Workers tried to solve the problem on an individual case-by-case basis, meeting with the respective plumbers and issuing them strict warnings on behalf of the LGRDD. These warnings, however, had little effect on the plumbers since they were not employees of the LGRDD, and instead worked as independent technicians in the private sector. As the number of complaints against private plumbers started to increase, the LGRDD staff in District Bagh decided to bring up the issue in one of the six-monthly work plan meetings. Here, it was revealed that similar problems were being faced in virtually all the other Districts. Another issue that arose in this meeting was the lack of technical capacity in some villages that were not able to afford private plumbers at market rates, or in remote areas where private plumbers were simply not available. These villages were facing extreme difficulty in managing their schemes since they lacked the basic knowledge on scheme repair. In order to tackle this problem, the LGRDD initiated a plumber training program for all beneficiary communities in which a few nominated members of each community were given basic training in maintaining the water pipeline and fixing minor

leaks. These individuals were chosen at the time of the WSC formation, trained by the LGRDD technical Overseers on-site before the implementation phase began and sometimes even during implementation, and paid a monthly salary out of the WSC funds. Since these plumbers belonged to the village and were socially accountable to their community for any misappropriation, they were less likely to tap illegal connections for personal monetary gain. Also, they did not have to be paid at market rates since they did not work full time, and were only required to repair leaks whenever they occurred. This made it possible for even the poorest communities to afford a trained plumber.

Responsiveness to Community Complaints:

The junior LGRDD staff was very pleased that their senior officials valued their input, and thus felt comfortable reporting even minor project discrepancies to the Directorate. Because of the confidence the senior staff displayed towards junior employees, these junior staff members sometimes responded to community complaints even when they were not obliged to do so. For example, in village Punyalee several community members complained to the LGRDD District staff that their village WSC members were allowing certain upstream villagers – who happened to be close relatives of the WSC Chairman – to tap into the village water pipes to extract water for their personal use. It is worth noting that the LGRDD water scheme in Punyalee had already been completed and handed over to the WSC, which meant that the LGRDD no longer had formal responsibility to the community. However, since the LGRDD District staff had a close rapport with their senior colleagues, and because they wanted to discourage similar events from occurring in other villages, they immediately reported the matter to the Directorate. Within a few days, the Divisional Director of District Bagh himself visited village Punyalee, and called in a meeting of all villagers. Here, the WSC members were unanimously relieved of their duties by fellow community members and a new committee was formed. Within a few weeks, the illegal connections were stopped and the water pressure returned to normal. After this incident, the

community members of village Punyalee formed a three member “Action Committee,” which was an ad-hoc regulatory body. The sole purpose of this committee was to act as an overseeing body and monitor the activities of the WSC. It held powers to dismiss any WSC member if found guilty of any unauthorized activity, and comprised of a police officer, a senior retired government servant, and a local school principal, all residents of the village.

Conclusions:

The most important determinant of LGRDD’s success was the fact that the senior LGRDD staff listened to their junior counterparts in the Districts and provided immediate assistance whenever necessary. This exchange of views and discussion of implementation problems being faced in the field led to some very innovative solutions, which were then institutionalized and made part of regular LGRDD policy. This continuous process of project *learning* is very unusual in developing countries where development projects are typically centrally managed and quite inflexible. Junior employees are also rarely provided the opportunity to meet their senior colleagues, and implementation problems seldom get discussed amongst the two. As a result, many of the difficulties being faced in the field remain unresolved, which eventually leads to poor project performance.

The case of LGRDD however was different. Under pressure to meet the World Bank’s construction targets, the LGRDD Directorate was eager to resolve any problems that hindered the scheme turnover rate. In doing so, they involved junior staff in decision making and also gave them unprecedented discretion in their field-based activities. These activities boosted the morale and confidence of junior District staff, and enabled LGRDD to work out implementation problems and sometimes even help communities resolve their internal disputes.

SECTION SEVEN

COOPERATION BETWEEN ENGINEERING AND EXTENSION STAFF

The World Bank Mid-Term Review that visited AJK in 1995 set some challenging future scheme construction targets for the LGRDD, as has been outlined in detail in Section Five. In order to reach these targets, the LGRDD had to hire additional temporary staff to implement the project at the District level. The key success of this 'projectized' form of implementation was the active involvement of project Engineers in community mobilization activities, and the close working relationship that evolved between Engineering and Extension staff. The Extension staff acted as intermediaries between the project Engineers and community members, translating the technical language from Engineers into general layman terms for community members. Project Engineers and Extension workers, thus, worked very closely and complemented each other in the field. This blurring of boundaries between technical and community organizing work increased commitment of staff and provided more resources to communities than are generally found in development and infrastructure projects. In essence, this staff cooperation and understanding increased the manpower of LGRDD, with project Extension Workers being able to answer some of the technical questions that communities asked, and similarly project Engineers sometimes leading awareness campaigns. The following sub-section details how and why the IDA project Engineers got involved in Extension work.

Engineers as Community Workers:

Traditionally, Engineering is considered the highest form of education in Pakistan, and qualified Engineers are very well respected and honored by society (Burki, 1999). The low adult literacy

rate in the country (38%)⁸ further elevates the status of the people who manage to complete their Engineering degrees.⁹ Certified Engineers thus take pride in their educational achievements and tend to be mainly interested in Engineering-based construction activities (Black, 1998). In doing so, they are usually reluctant to involve communities in their work because they often feel that community members will only hamper their expert judgments. Why then were the LGRDD project Engineers willing to involve rural communities in their decision making activities?

First, despite the fact that engineering is considered the highest form of education, getting a reasonable civil engineering job after graduation in AJK or any other part of Pakistan is fairly difficult. The country's private construction sector is fairly small (only 2% of GDP),¹⁰ and the Public Works Department is already overstuffed (Burki, 1998). In addition, the competition for existing jobs has increased greatly in recent years because of the rapid growth of private engineering institutes in the country. Given this situation, the LGRDD project Engineers did not have many job options available to them upon graduation, and once hired by LGRDD they worked very hard at their job in hope that their temporary placements would become permanent positions at the end of the project period.¹¹ Second, a government job is considered a prestigious post in AJK, and it was a matter of honor for these young Engineers to be selected onto the LGRDD team. Third, most of these engineers had grown up in Kashmir and had seen first hand the daily hardships that their villagers faced in fetching water from long distances. When asked whether they were satisfied with their jobs, almost all the engineers expressed their contentment with their work as they felt they were alleviating their own community members of such a huge problem.

⁸ Human Development Center: *Human Development in South Asia*, Oxford University Press, Pakistan, 1999.

⁹ For further discussion on this issue, see for example: Burki, 1999; Husain, 1999; Hasan, 1998.

¹⁰ Government of Pakistan: *Planning and Development Department Annual Statistics*, Statistics Section, 1999.

Another very important reason why the project Engineers got involved with community mobilization work was their close relationship with the project Extension Workers. These Extension Workers helped out the Engineers during field visits in discussing the technical scheme design with community members. Since the Extension Workers were responsible for initiating contact with communities, they were often better acquainted with villagers than the project Engineers. Also, community members are typically not very receptive to Engineers because they are usually unable to understand the technical language that Engineers speak. In AJK, the Extension Workers acted as intermediaries between the two and helped communities understand the technical details of the scheme design. At the same time, the project Engineers were eager to maintain a good job record and scheme construction rate, and thus were keen on cooperating with community members and accommodating any design changes that they requested.

The project Engineers were also very active in resolving any social disputes within villages. Usually this responsibility rests with the Extension staff but in the IDA project, the Engineer and Extension Workers worked together to resolve social problems within communities. There seemed to be a very close bond between community members and LGRDD project staff. The affiliation of these project staff with the World Bank helped establish the level of trust and respect that communities had for them. The World Bank, being the primary donor agency behind the IDA project, was held in very high regard by local communities in AJK, who cherished the opportunity of having piped water available to them through the IDA schemes. Thus, even when bickering villagers were unwilling to hear each other out, they listened to what the IDA project staff had to say as they tried to resolve the dispute within the community. In

¹¹ Although all project Engineers interviewed during fieldwork said that they were explicitly told of the temporary nature of their positions at the time of their hiring.

village Punyalee for example, the RWSS scheme was put on hold because of one person who refused to let water pipes cross through his backyard. Interestingly, the same person had readily agreed to the proposal when it was presented to him during the design phase of the scheme. Once construction began, he demanded that a house connection be given to him free of charge simply because he was allowing the water pipes to pass through his property. A meeting was called in which the LGRDD District Assistant Engineer and his Extension staff counseled the property owner in the benefits of piped water supply and explained to him how he was holding up the entire scheme. They even reproduced an agreement that the property owner had signed during the design phase allowing pipes to cross through his property. Through this calm mediation, the LGRDD staff was able to convince the property owner to withdraw his demands for a private connection and allow the pipes to pass through his land.

As a result of the blurring of boundaries between project Engineering and Extension staff, beneficiary community members often lodged their complaints with the District Assistant Engineer, the highest ranking District project staff member, instead of the local Extension Workers in order to receive immediate attention. In village Chinar Mang for instance, the local villagers recorded the introductory speeches given by the LGRDD Extension staff on a tape-recorder, and later when there was some delay in pipe procurement, the community members came to the LGRDD District office and replayed the tape to the Assistant Engineer to remind him of the staff's earlier promise for timely service. This action prompted the Assistant Engineer to personally investigate the matter and accelerate the shipment process.

Conclusions:

The contribution of the LGRDD project Engineers towards the success of the project is substantial. Not only did they have a very close working relationship with the project Extension Workers, they were also willing to incorporate community suggestions about the location of the

village standposts into their technical design. This blurring of boundaries between Engineering and Extension Work is very unusual in developing countries where Engineers are typically unconcerned with the views of community members, and rarely get involved in community mobilization activities. Yet in AJK, a combination of pressure from the Directorate to meet construction targets, and the general lack of alternative employment opportunities motivated the LGRDD project Engineers to work side by side with the Extension staff and pay close attention to community demands.

SECTION EIGHT

POLITICAL INVOLVEMENT IN PROJECT IMPLEMENTATION

During the course of the IDA project, the LGRDD field staff felt pressured from politicians who wanted to misappropriate water pipes or interfere in the village selection process. In order to shield project staff from such political intervention, the LGRDD initiated a uniform selection criteria which provided field staff an institutional excuse to overcome pressure from politicians. More importantly, instead of ignoring the politicians, the LGRDD management eventually realized they could achieve better project results if they formed a collaborative relationship with these political figures. Soon, many politicians started assisting the LGRDD project staff whenever they faced difficulty resolving social disputes within villages. Bickering villagers, for example, were more willing to resolve disputes on the insistence of these political leaders than on the assertion of LGRDD staff. The politicians themselves had an incentive to cooperate with the LGRDD since it provided them an opportunity to publicly attach themselves with the water schemes, and thus earn extra votes for future elections. The following sub-sections detail why political interference was problem in AJK, how the LGRDD tried to eschew such influence, and how the LGRDD eventually gained support for the project from local politicians.

Political Influence in the Development Sector:

In AJK as in many places, politicians have traditionally asserted their authority in disbursing development funds to villages of their choice (i.e. villages that support them in elections). By law, each Legislative Assembly Member (MLA) is given an annual development budget of Rs. 2 million (\$40,000), without any clearly defined guidelines for allocations to specific sectors or activities. Predictably, the villages that benefit from development activities funded by MLAs tend to be the ones that support the MLAs during elections. Under this system, services do gradually

improve, but villages that favor political rivals tend to be deliberately overlooked, and thus receive fewer benefits from MLA-funded development projects.

These local politicians also tend to exert their influence in village selection for donor-funded projects (Black, 1998). In the absence of any fixed selection criteria, the politicians are the main actors in deciding which villages and communities get served first. It is therefore not surprising that local politicians tried to exert their influence in the disbursement of IDA project funds as well. For instance, before the IDA project was officially launched in 1992, a local consulting firm, National Engineering Services of Pakistan (NESPAK), was hired by LGRDD to survey and pre-identify 300 schemes in about 70 villages to provide initial working ground for the IDA project. Since LGRDD is a government department, the approval for these 300 schemes had to come from the government legislative cabinet. By the time the schemes went past the cabinet review, almost 60% of them had been changed in accordance with the demands of the MLAs, who exerted their influence to graduate their preferred villages (invariably the ones that supported them in elections) onto this initial list of IDA scheme sites.

The Uniform Selection Criteria:

In order to discourage political influence and shield LGRDD employees against politicians, uniform policy criteria in scheme site selection were introduced in 1995. This method of scheme selection was the initiative of Sardar Siddique Khan, the Director of LGRDD at the time, and was part of the decentralization effort undertaken by the agency. The uniform policy criteria were used to standardize the selection of villages for water schemes. All scheme applications had to meet a certain of preconditions before they could be considered for selection. Once past this initial screening, the villages were to be ranked according to certain geographic and demographic characteristics.

Two of the preconditions were that villagers had to identify the nearest water source for their community, and had to dedicate land for construction of water tanks in the village. Each village was also required to pledge at least 20% of the initial capital cost for construction of the water scheme. This contribution could be made in the form of cash, labor, or dedication of personal land for the scheme. In addition, a village Water and Sanitation Committee (WSC) had to be formed in order to manage the scheme during and after construction. If all of these preconditions were fulfilled, only then was a village eligible for consideration in the IDA project.

After meeting all the preconditions, the scheme applications were prioritized by LGRDD District staff based on certain demographic and geographic criteria. Higher points were to be awarded to villages that had larger populations, had an organized community, and could contribute significantly to the capital costs of the scheme. In addition, source accessibility (distance from source) and reliability were also taken into account. The total points were then tabulated and villages ranked accordingly for scheme implementation. It was believed that the strict application of this uniform selection criteria would reduce the discretion in scheme selection that was previously available to politicians and employees of LGRDD. Coupled with the stringent accountability and reporting measures undertaken at the same time, the uniform selection criteria was thought to improve scheme turnover rate considerably.

Figure 5: LGRDD Uniform Scheme Selection Criteria

UNIFORM SELECTION TECHNIQUE

A. Population

Population	Priority Score
Less than 250	+0
250 – 500	+1
500 – 1000	+2
1000 – 1500	+3
1500 – 2000	+4
2000 and Above	+5

B. Community Participation/ Organization

Attendance at Village Meetings	Priority Score
Less than 25%	+0
25% – 50%	+1
50% – 75%	+2
75% – 100%	+3
Record Keeping	+0.5
Regular Meeting	+0.5

C. Financial

Contribution to Capital Cost	Priority Score
Up to 20%	+0
20% - 25%	+1
25% - 30%	+2
30% - 40%	+3
40% and Above	+4
By Govt. above approved level (10% increment)	-1

D. Accessibility and Reliability

Population	Priority Score		
	0.5km	1km	1.5km +
Up to 25%	+3	+4	+5
25% - 50%	+2	+3	+4
50% - 75%	+1	+2	+3
75% and Above	+0.5	+1	+2
If up/down hill walk at an angle of 45 degree and above is involve, factor score by 1.5			

Overall Weighted Score: A = 20%; B = 30%; C = 20%; D = 30%

Whereas the uniform criteria seemed very practical in theory, it was difficult for LGRDD project staff to adhere to them in practice. First, the processing of each and every scheme through the standardized screening and selection phase required a great deal of coordination and paperwork within the District project offices. During the busy period of implementation (1996-1999), most of the project staff did not have time to fill out all the necessary forms and conduct

the screening process for each and every scheme. Most of the selection was done informally, and at times schemes were selected that did not meet certain criteria.

Second, many of the components in the selection criteria were fairly difficult to measure, with high chances of mis-reporting. For instance, there was no way of knowing the exact attendance figures for past community meetings within a village. Community members had the incentive to overstate their attendance in order to gain priority in scheme selection. Similarly, the total population figures could easily be exaggerated for the same purpose. Hence, some of the data collected from villages was potentially inaccurate, and the Extension Workers often had to exercise their own judgment in accepting the information provided.

The uniform selection criteria were thus not as useful as originally envisioned. Yet, this approach did standardize the set of questions that LGRDD staff asked in villages, and thus made their work much easier. More importantly, the uniform selection policy provided LGRDD workers an 'institutional' excuse for non-cooperation with requests from politicians seeking to influence scheme selection. For instance in District Bagh, the Chairman of the District Council, a seasoned politician, tried to redirect a truckload of LGRDD pipes towards the village of his choice, but was stopped by the Project Extension Worker who was riding along in the truck. Despite the offer of a bribe, the Extension Worker explained to the Chairman that his hands were tied in this matter and it was not up to him to decide where the pipes go. He also stressed that if these pipes did not reach their original destination, the community members from that village would report to the LGRDD Project Director during weekly office hours, which would lead to his censure or dismissal. Following this incident and many similar ones later on, the local politicians themselves realized that their efforts to misappropriate IDA pipes were being resisted by LGRDD employees who were now more concerned with maintaining their good job record than satisfying their political representatives.

Politicians as Project Allies:

Despite the fact that the uniform selection criteria did protect LGRDD field staff from political influence, this still did not stop politicians from trying to misappropriate pipes. The LGRDD project staff felt extremely pressured by such political interference and reported the matter to their senior colleagues in the Directorate. Soon, the LGRDD senior staff began paying courtesy calls to politicians to market the project and obtain their cooperation. They even handed out informational pamphlets to the politicians in order to educate them about the purpose of the IDA project. In many cases, politicians in fact started helping out LGRDD employees in resolving certain social disputes within communities. As one District Bagh MLA asserted: *"If my brothers and sisters can have clean drinking water in their villages, who am I to deny them this service. In fact, I will do everything in my power to assist them."* Since politicians had limited funds of their own, they considered this arrangement as an opportunity to get involved and take credit for the schemes, whilst at the same time following a proper selection process. In a sense, this led to a win-win situation for both agency workers and local politicians, with the former maintaining their healthy turnover rate, and the latter consolidating their vote bank.

Conclusions:

Politicians in developing countries tend to exert their influence in village selection for development projects. In the absence of fixed selection criteria, these politicians are the ones who typically make allocation decisions for government sponsored development initiatives. Hence, it is not surprising that they try to exert their influence in donor-funded projects as well. Usually, donor agencies try to prevent political interference by setting up their own project management units that are operated and managed by foreign consultants. Donors thus believe that the best defense against political interference is to completely insulate their projects from politicians. This exclusion of politicians is exactly what the LGRDD initially attempted in AJK as

well. In fact, the LGRDD incorporated a uniform selection criteria just to protect its project employees from political intrusion. Yet, they soon realized that they could achieve better project results if they tried to educate the local politicians about the project and gain their support, instead of simply trying to avoid them completely. By gaining the support of politicians, the LGRDD staff at times was able to utilize these public leaders' stature in resolving certain social disputes within villages. The obvious lesson for future development projects is that better project outcomes can be achieved by making politicians aware of the project before implementation starts, and then seeking their advice and assistance throughout the project cycle. Thus by making politicians allies rather than foes, many of the problems faced during implementation can be resolved.

SECTION NINE

CONCLUSION

A detailed study of the IDA project in AJK reveals some very interesting and unusual findings. First, despite conventional wisdom against centrally managed development projects, the IDA project represents a mix of both decentralized and centrally controlled activities. What is important is that it was this central control that played a crucial role in making LGRDD project staff more accountable to their seniors, and more responsive to beneficiary communities. Also, the donor-imposed focus on construction targets provided the necessary motivation for several project innovations and improved staff performance.

Second, the LGRDD managed to recognize and solve implementation problems mainly because they involved their junior staff in project decision making. Typically, junior staff in public agencies are rarely allowed to voice their opinions, yet in LGRDD, because of the constant pressure of meeting construction targets, the project junior staff were not only encouraged but in fact required to discuss the problems they faced in the field with their senior colleagues in regular six-monthly work plan meetings; immediate solutions were then sought through shared discussions. As a result of this joint-consultation, many rule changes were duly institutionalized as regular LGRDD policy to accelerate and expand the implementation capacity of the agency.

Third, the LGRDD project Engineers and Extension Workers worked very closely with each other throughout the project. This willingness of Engineers to take part in community mobilization work is very rare in public agencies where Engineers are usually interested only in the technical aspects of development projects. The blurring of boundaries between technical and community organizing work in AJK increased commitment of staff and also increased the

manpower of LGRDD in the field with project Extension Workers being able to answer some technical questions for communities, and similarly project Engineers often getting involved in community mobilization.

Lastly, local politicians in AJK played an important role in resolving certain social disputes within communities. This finding is quite unusual as political intervention is typically considered to only hamper project performance, and donor agencies try various measures (such as setting up independent PMUs) to prevent such interference. In AJK, the LGRDD first tried to insulate its staff from politicians as well, but soon learned that better project results could be achieved if they educate and align local politicians with the project. Though a very interesting issue, the views of local politicians regarding their cooperation with LGRDD are not available. An agenda for future research in AJK would be to conduct interviews with these politicians and learn about their side of the story.

Looking at the broader picture of the IDA project, a fairly complex case emerges that represents aspects of both central control and decentralized discretion. Many features of the decentralized implementation in LGRDD were indeed centrally managed. The lesson that emerges for future research is that it is important to move away from linking decentralization efforts solely with demand-driven approaches, and central control with public agency inefficiencies. The success of the IDA project represents evidence that some form of central control is actually desirable in decentralized settings. It also signifies a case where significant innovations took place in project implementation that helped 'adapt' the project to the prevailing conditions in AJK. In effect, the AJK case represents a 'compromise' model of project management that represents a mix of both centrally controlled and decentralized, discretion based activities.

APPENDIX A

Alphabetical List of Organizations Visited and Individuals Interviewed

<p>Local Government and Rural Development Department, Directorate Level, AJK</p> <p>Mushtaq Ahmed Butt <i>Secretary, LGRDD (former)</i>; Sardar Riaz Ahmed Khan <i>Secretary, LGRDD (present)</i>; Sardar Siddique Khan <i>Director (former)</i>; Ghulam Murtaza Qureshi <i>Project Director</i>; Zaheer Hussain Gardezi <i>Additional Project Director</i>; Ghulam Murtaza Khan <i>Deputy Project Director</i>; Muhammad Saleem Bismil <i>Election Commissioner</i>; Mukhtar-ul-Hassan <i>Institutional Expert</i>; Raja Hayat Khan <i>Executive Engineer</i>; Raja Imdad Hussain <i>Assistant Engineer</i>.</p>
<p>Local Government and Rural Development Program, Muzaffarabad District, AJK</p> <p>All staff members:</p> <p>4 <i>Assistant Engineer</i>, 2 <i>Extension Officers</i>, 20 <i>Extensions Workers (10 female & 10 male)</i>, 4 <i>Sub-Engineers</i>.</p>
<p>Local Government and Rural Development Program, Bagh District, AJK</p> <p>All staff members:</p> <p>1 <i>Assistant Director</i>, 2 <i>Assistant Engineers</i>, 1 <i>Extension Officer</i>, 8 <i>Extensions Workers (4 female & 4 male)</i>, 6 <i>Sub-Engineers</i>.</p>
<p>Multi Donor Support Unit – Pakistan Social Action Program</p> <p>Nadir Abbas <i>RWSS Advisor</i></p>
<p>National Rural Support Program</p> <p>Rashid Bajwa <i>General Manager</i>; Abdul Rahim <i>Rawlakot Program Officer</i></p>
<p>Pakistan Institute of National Development</p> <p>A.M.H. Kango <i>Executive President</i></p>
<p>Sustainable Development Policy Institute</p> <p>Shahrukh Rafi Khan <i>Executive Director</i></p>
<p>Water and Sanitation Program, South Asia – Pakistan Office</p> <p>Raja Rehan Arshad <i>Country Team Leader</i>; Mehreen Hosain <i>Social Development Expert</i>; Allah Javaya <i>National Country Officer</i></p>

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