

Project Administration Manual

PUBLIC

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**Islamic Republic of Pakistan: Balochistan Water
Resources Development Sector Project - Additional
Financing**

ABBREVIATIONS

ACD	–	Agriculture and Cooperatives Department
ADB	–	Asian Development Bank
DP	–	displaced person
FMA	–	financial management assessment
GAAP	–	gender assessment and action plan
GOB	–	Government of Balochistan
ha	–	hectare
JFPR	–	Japan Fund for Prosperous and Resilient Asia and the Pacific
LARP	–	land acquisition and resettlement plan
NA	–	not applicable
O&M	–	operation and maintenance
OAI	–	Office of Anticorruption and Integrity
PIO	–	project implementation office
PMO	–	project management office
PPMS	–	project performance management system
SOE	–	statement of expenditure
SPS	–	Safeguard Policy Statement
WA	–	withdrawal application

NOTES

- (i) The fiscal year (FY) of the Government of Pakistan and its agencies ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2024 ends on 30 June 2024.
- (ii) In this report, “\$” refers to United States dollars.

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Irrigation Department and the Agriculture and Cooperatives Department of the Government of Balochistan are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by the Irrigation Department and the Agriculture and Cooperatives Department of the Government of Balochistan of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. The ongoing project will support the implementation of the integrated water resources management policy of the Government of Balochistan (GOB). The policy provides a comprehensive framework for the province to address the issues of water management and development in the context of basin approach with water harvesting and groundwater recharging as an integral part of watershed management. About 11 potential subprojects out of over 300 longlists in the Mula and Zhob river basins were selected for potential Asian Development Bank (ADB) financing based on a set of criteria such as water and land availability, economic viability, and a balanced approach to extending development support to different tribal groups. The proposed project will construct and improve irrigation land of about 16,592 hectares (ha) and benefit about 42,900 farmers in the Balochistan province. The project will use sector lending modality which will provide flexibility to reprioritize and expand interventions during the implementation. The subproject selection criteria and approval procedure is in Annex 1.

2. The ongoing project is aligned with the following impacts: farm income increased and water resources management improved in Balochistan.¹ The ongoing project will have the following outcome: agricultural productivity in the project area increased.²

3. **Output 1: Irrigation infrastructure and watershed protection constructed and/or rehabilitated.** The output will construct, upgrade, or rehabilitate (i) Siri Toi Dam with storage of 36 million cubic meters, including a spillway and a water intake; (ii) weirs and infiltration galleries; (iii) about 172 kilometers of irrigation network, including headworks, offtakes, sluice gates, other associated structures, and livestock drinking facilities; (iv) infrastructure to reduce flood risks to irrigation canals and the command area; and (v) facilities to increase women's access to water for domestic use, such as washing pads and water collection points. It will also support watershed protection for about 4,145 ha, including through rehabilitation of trees and grasses in forests; and land and water conservation activities, such as check dams, water harvesting structures, and small storage ponds for plantation and/or groundwater recharge.

4. **Output 2: Command area established and/or improved.** This output will support the development of about 16,592 ha of command area, including 1,839 ha for *khushkaba* (rainwater harvesting) farming. It will involve the (i) construction and rehabilitation of secondary and tertiary canals; (ii) construction of lined watercourses; (iii) improvement of on-farm water management and agronomic techniques, such as land leveling and irrigation scheduling; (iv) construction of a *kacha* (desert) track and access roads; (v) construction of rainwater harvesting and storage facilities; (vi) provision of farm machinery; and (vii) provision of training on sustainable farming. This output will also support the pilot testing of about 103 ha of high-value agriculture in the project area. It will involve the installation of about 127 cost-effective solar-powered drip irrigation systems, the construction of two olive oil extraction plants and two processing plants for fruits and vegetables, and the construction of at least 22 small-scale income-generating agribusinesses for livestock led by women. It will strengthen high-value farming technology and increase agricultural production by demonstrating technology on at least 103 ha of 127 high-value fruit and vegetable farms and preparing guidelines on the efficient use of water and agricultural inputs. It will also (i) develop community capacity for high-value agriculture, (ii) create awareness programs on safe drinking water practices and food nutrition for women and girls, and (iii) provide about 250 women and girls with training in kitchen gardening skills.

¹ Government of Balochistan. 2014. *Balochistan Development Vision and Strategy*; and Government of Balochistan. 2006. *Integrated Water Resources Management Policy Balochistan*.

² The design and monitoring framework is in the Appendix of the Report and Recommendation of the President.

5. **Output 3: Institutional capacity strengthened.** This output will support the (i) provision of consulting services for detailed engineering design, construction supervision, and implementation support; (ii) provision of training for the executing and implementing agencies on project management, financial management, procurement, disbursement, gender, and social and environmental safeguards; (iii) procurement of hydrometeorological equipment to strengthen information collection and water use monitoring; and (iv) development of infrastructure for improved project management and training.

6. The impact, outcome, and outputs of the ongoing project with the additional financing will remain unchanged. However, the design and monitoring framework is revised to align the timelines of various activities with the implementation period of the additional financing.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

7. Project readiness activities for the additional financing are listed in Table 1 below. No readiness activities are required for the additional financing since works and other activities have been ongoing.

Table 1: Project Readiness



Indicative Activities	2025				2026	Responsible
	Q1	Q2	Q3	Q4	Q1	
Obtain signed fact-finding mission aide memoire from the government						EAD/GOB
PDWP approval of PC-I						EAD/GOB
CDWP approval of PC-I						EAD/GOB
Loan negotiations						ADB/EAD/GOB
Obtain ADB Board approval						ADB
ECNEC approval of PC-I						EAD/GOB
Sign legal agreements						ADB/EAD/GOB
Declare loan effectiveness						ADB

ADB = Asian Development Bank, CDWP = Central Development Working Party, EAD = Economic Affairs Division, ECNEC = Executive Committee of the National Economic Council, GOB = Government of Balochistan, PC-I = Planning Commission Proforma No. 1, PDWP = Provincial Development Working Party.
Source: ADB.

B. Overall Project Implementation Plan

8. The project implementation schedule is shown in Table 2. The project activities have been in progress for the ongoing project. The activities for the additional financing will commence upon effectiveness to supplement the civil works costs. The additional financing will be physically implemented until June 2028 with the financial closing of December 2028.

Indicative Activities	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Output 3. Institutional Capacity Strengthened											
3.1 Recruit the consultant services package for detailed design, construction supervision and implementation support, including advertising the package through advance action											
3.2 Conduct training for ID, ACD, PMO and PIO in project management and implementation											
3.3 Conduct training for farmers in advanced farming technologies and water management											
3.4 Procure high technology equipment for improved water resources management											
3.5 Recruit consulting services for the development of water resources information system supported by the TA											
3.6 Develop the water resources information system											
3.7 Conduct test and trial operation of water resources information system, and provide necessary training to relevant staff											
B. Management Activities											
Carry out key activities of the gender action plan											
Conduct monitoring activities for resettlement plan and environmental management plan											
Recruit an independent agency for external resettlement monitoring											
Conduct annual and midterm project reviews											
Audited Project Financial Statement											
Loan Account Closure											

 Original Schedule
 Revised Schedule

ACD = Agriculture and Cooperatives Department, ICB = international competitive bidding, ID = Irrigation Department, PIO = project implementation office, PMO = project management office, TA = technical assistance, Q = quarter.

Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

9. The GOB, through the Balochistan Irrigation Department (BID), will remain as the executing agency of the project and the Balochistan Agriculture and Cooperatives Department (BACD) will remain as the implementing agency with active support from relevant departments (Forestry and Wild Life, and Livestock and Dairy). A project steering committee has been set up to guide and direct the implementation of the project. A working committee has been set up for intradepartmental coordination and project operational oversight. A project management office (PMO) has been established in Quetta for overall project implementation and coordination. The PMO, led by a project director, is directly responsible for outputs 1 and 3. The project implementation office (PIO) has been established in the BACD and has been implementing output 2. For output 1, the PMO is supported by the Deputy Director Irrigation in Khuzdar and Zhob districts; and by District Forest Officers and their staff also in Khuzdar and Zhob districts (for implementation of watershed protection measures). For output 2, the PIO is supported by Deputy Directors on farm water management and their staff in Khuzdar and Zhob districts. Output 3 is implemented by the PMO with support from the PIO. Table 3 provides the roles and responsibilities of each agency involved.

Table 3: Project Management Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Balochistan Irrigation Department (executing agency)	<ul style="list-style-type: none"> - recruit PMO staff for the project; - provide timely provision of agreed counterpart funds for the project; - conduct timely financial audit as per agreed timeframe and taking recommended actions; - comply with loan covenants (social, environmental, financial, economic, and others); - ensure the project sustainability after the implementation and reporting to ADB on the development impacts; and - coordinate with the BACD, Department for Forest and Wild Life, and Department for Livestock and Dairy Development.
PMO (project-specific management body)	<ul style="list-style-type: none"> - implementation of irrigation infrastructure construction and improvement, watershed rehabilitation and protection, and institutional capacity strengthening sub-components; - administer staff provided to PMO by the Departments of Forest and Wild Life, and Livestock, and Dairy Development; - recruit consultants; - review detailed design and bidding documents; - procure works and goods, and award contracts in a timely manner; - ensure that final and/or implementation-ready LARPs are approved and disclosed prior to award of civil works contracts and that civil works commence only after completion of LARP implementation has been verified by an external monitor; - follow the implementation requirements of the land acquisition and resettlement framework, including appropriate resettlement screening, assessment, and resettlement management planning for non-core subprojects; - follow the implementation requirements of the environment assessment and report framework, including appropriate environmental screening, assessment and environmental management planning for non-core subprojects; - comply with the project's public disclosure, safeguards monitoring, and grievance redress mechanism requirements; - monitor and evaluate project activities and outputs; - review consultant's reports, provide timely supervisions, and take

Project Implementation Organizations	Management Roles and Responsibilities
	<p>timely decisions and actions on the project implementation;</p> <ul style="list-style-type: none"> - maintain advance account properly; - ensure public disclosure of project outputs; - ensure quality assurance of works and services of consultants and counterpart staff; - establish strong financial management system including internal audit arrangement and submit withdrawal applications in a timely manner; - implementation and reporting of GAP; - prepare periodic progress reports and submit them to ADB; and - <u>prepare project completion report and submit it to ADB.</u>
PIO in BACD (project specific implementing agency)	<ul style="list-style-type: none"> - implementation of command area development, farmers managed small schemes, <i>khuskaba</i> (rainwater harvesting) farming and high value agriculture sub-components inclusive of GAP targets; - provide information and reports on above sub-components to PMO for overall project management; - procure works and goods, and award contracts in a timely manner; - monitor and evaluate project activities and outputs inclusive of GAP targets; - review consultant's reports, provide timely supervisions, and take timely decisions and actions on the project implementation in consultation with PMO; - maintain advance account properly; - provide information to PMO for public disclosure; - establish strong financial management system including internal audit arrangement and submit withdrawal applications in a timely manner; and - prepare periodic progress reports inclusive of progress on GAP targets and submit to PMO
Project Steering Committee	<ul style="list-style-type: none"> - guide and direct overall project implementation - ensure timely review of the project implementation once a year; and - coordinate with the World Bank and ADB for timely sharing of common issues, risks and/or good practices on their financed projects in the province.
Project Working Committee	<ul style="list-style-type: none"> - ensure better intradepartmental coordination and provide overall guidance on operational issues; - conduct quarterly (or more frequently if needed) project review; and - advise Project Steering Committee.
ADB	<ul style="list-style-type: none"> - assist the executing agency, PMO, and PIO in providing timely guidance for smooth implementation of the project in accordance with the agreements made; - process and approve withdrawal applications submitted by the PMO and the PIO; - review all the documents that require ADB approval; - conduct periodic loan review missions, midterm review, and project completion mission; - monitor compliance with loan covenants, social, gender and environmental safeguards, technical and financial requirements; - ensure compliance with financial audit recommendations; - process withdrawal applications on time and release eligible funds; - regularly update the project performance review reports with assistance from the PMO; and - regularly post on ADB website the updated project information documents for public disclosures including safeguards documents as per the disclosure requirements of the ADB's Safeguards Policy Statement, 2009.

ADB = Asian Development Bank, BACD = Balochistan Agriculture and Cooperatives Department, GAP = gender action plan, LARP = land acquisition and resettlement plan, PIO = project implementation office, PMO = project management office.

Source: ADB.

10. Table 4 shows the list of current regular staff in PMO and PIO. Under the PMO, there are 27 contractual staff and 5 contractual staff under the PIO who help in running and maintaining the office.

Table 4: Current PMO and PIO Staff List

No.	Name and Position	PMO / PIO
1	Sufyan Samim Khan Durrani, Project Director	PMO
2	Abu Bakar, Assistant Engineer, ZRB	PMO
3	Khuda E Rahim, Deputy Project Director, MRB	PMO
4	Faisal Jamal, Assistant Engineer, MRB	PMO
5	Asif Hussain Mastoi, Deputy Project Director	PIO
6	Naseer Khan, Assistant Agriculture Officer	PIO
7	Abdul Salam, Assistant Agriculture Officer	PIO
8	Mohammad Khan, Agriculture Officer	PIO
9	Mohammad Ibrahim, Agriculture Officer	PIO
10	Muhammad Umar, Agriculture Officer	PIO

MRB = Mulan river basin, PIO = project implementation office, PMO = project management office, ZRB = Zhob river basin.

Source: PMO.

11. **Operation and maintenance.** It was estimated that the annual incremental operation and maintenance (O&M) cost in financial terms for the irrigation systems is about PRs237.3 million. The O&M cost for key infrastructure was assumed at 1% of the corresponding infrastructure cost and O&M requirement of overall project, for on-farm irrigation system used PRs5,016.5 per ha based on the experiences in Balochistan and Pakistan. See the following tables (Tables 5 and 6).

Table 5. Updated Operation and Maintenance Estimate for Infrastructure

No.	Name Subprojects	Infrastructure Cost: Ongoing Project (PRs million)	Infrastructure Cost: Additional Financing (PRs million)	O&M Cost for Infrastructure: Ongoing Project (PRs million)	Infrastructure O&M Cost for Overall Project including Additional Financing (PRs million)
Zhob River Basin					
1	Ahmedzai subproject	182.53	669.7	1.83	6.70
2	Subakzai Command Area Development subproject	1,918.73		19.19	
3	Siri Toi Dam subproject	4,742.91	16,863.06	47.43	168.63
4	Killi Sardar Akhter subproject	83.49	609.66	0.83	6.10
Mula River Basin					
1	Churri subproject	286.78	467.61	2.87	4.68
2	Pashta Khan & Garambowad subproject	86.88	1,153.02	0.87	11.53
3	Karkh River subproject	570.61	1,128.72	5.71	11.29
4	Kharzan Hatachi subproject	596.57	1,334.38	5.97	13.34
5	Manyalo, Raiko & Rind Ali subproject	641.6	1,499.91	6.42	15.00
Total		9,110.10	23,726.06	91.10	237.26

O&M = operation and maintenance.

Source: Asian Development Bank estimates.

Table 6. Updated Operation and Maintenance Estimate for On-Farm Irrigation System

No.	Name of Subprojects	New Irrigated Command Area (ha)	Improved Irrigated Command Area (ha)	Total Command Area (ha)	O&M for On-farm Management (PKR million)	
					Ongoing project	As Estimated at Approval
Zhob River Basin						
1	Ahmedzai subproject	180	427	607	1.42	3.04
2	Sabakzai Command Area Development subproject	-	1,724	1,724	4.05	8.62
3	Siri Toi Dam subproject	4,027	-	4,027	9.45	20.14
4	Killi Sardar Akhter subproject	-	230	230	0.54	1.15
Mula River Basin						
1	Churri subproject	685	115	800	1.88	4.00
2	Pashta Khan & Garambowad subproject	377	456	833	1.96	4.17
3	Karkh River subproject	250	2,000	2,250	5.28	11.25
4	Kharzan Hatachi subproject	106	575	681	1.60	3.41
5	Manyalo, Raiko & Rind Ali subproject	364	314	678	1.59	3.39
Total		5,989	5,841	11,830	27.77	59.15

ha = hectare, O&M = operation and maintenance.

Source: Asian Development Bank estimates.

B. Key Persons Involved in Implementation

Executing Agency

Irrigation Department,
Government of Balochistan

Salah Muhammad Nasar
Secretary

Sufyan Samim Khan Durrani
Project Director, Project Management Office
pd.bwrdsp@gmail.com
Quetta Balochistan

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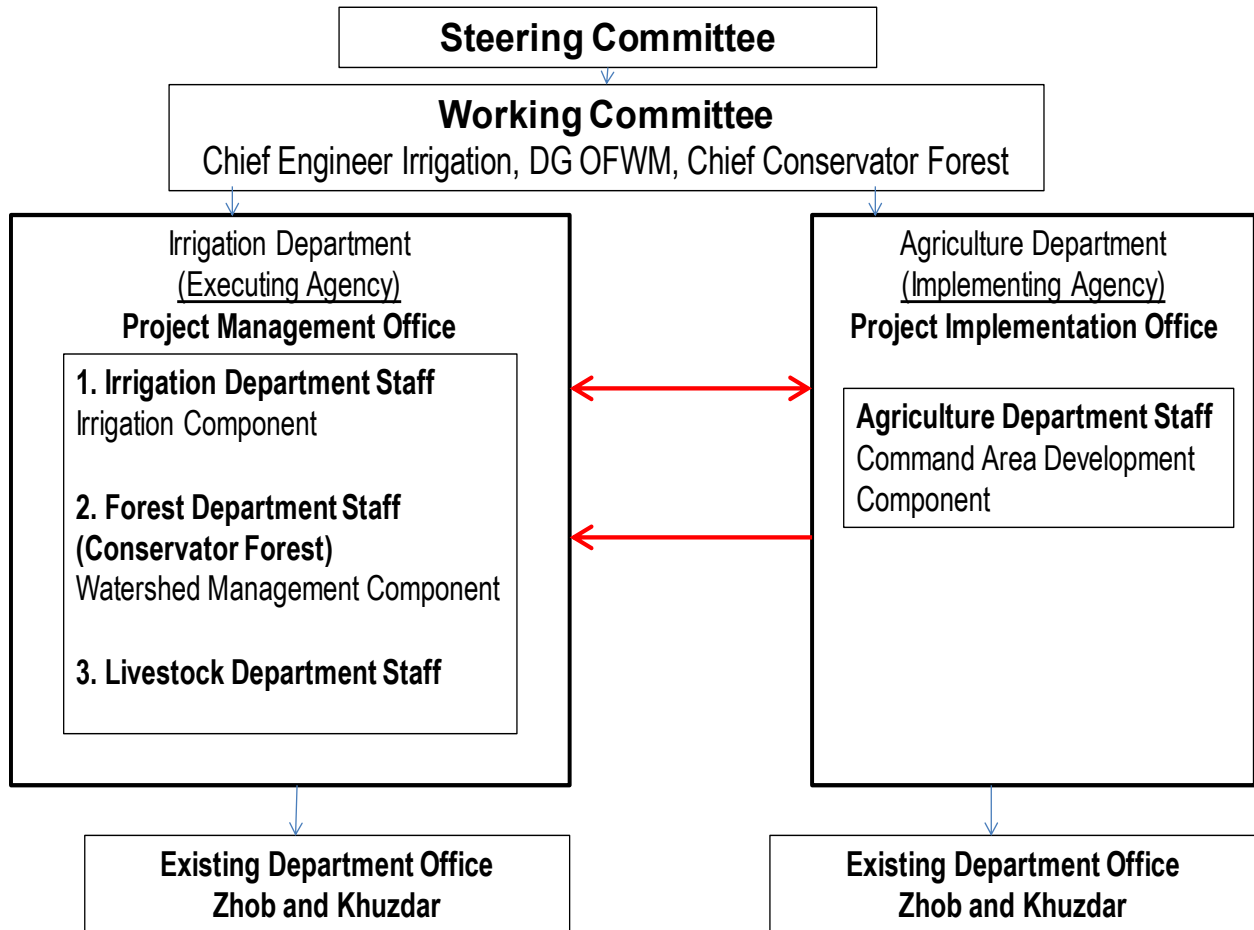
Mission Leader
Environment, Natural Resources
and Agriculture Division

Muzaffar Bukhari
Project Officer
mbukhari@adb.org

C. Project Organization Structure

12. Figure 1 shows the overall organizational structure of the project which will remain the same in implementing the additional financing.

Figure 1: Overall Organizational Structure



Source: Asian Development Bank.

IV. COSTS AND FINANCING

13. ADB approved a \$100 million concessional ordinary capital resources loan on 31 August 2018. The loan amount will finance the expenditures related to civil works, goods, consulting services, recurrent cost (project management), and financial charges during implementation. The Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR) will provide a grant equivalent to \$3 million to finance output 2 (ii), and High-Level Technology Fund will provide a grant equivalent to finance \$2 million for output 3 (iii), to be fully administered by ADB.³ The GOB will finance taxes and duties, resettlement, staff salary for project management and implementation, and contingencies. The GOB shall ensure that counterpart funding is provided in a timely manner to satisfy their liabilities arising from any works, goods and/or consulting services contract, including any additional counterpart funding required for any shortfall of funds or cost overruns.

14. The overall project, including the additional financing, is now estimated to cost \$196.56 million. The additional financing loan of \$48.00 million will cover the cost overruns and price escalations and any variations of ongoing contracts and provide room to award and disburse spillover contracts related to watershed management, and command area development, which is a succeeding activity to the almost completed irrigation infrastructure works covered under the headroom available in the original loan.

A. Cost Estimates Preparation and Revisions

15. The updated cost estimates are based on estimates provided by PMO and PIO. The PMO together with the PIO, with the assistance of the project design, supervision, and implementation support consultants will update and refine the cost estimates continuously throughout the implementation of the overall project based on detailed engineering design and actual contract awards.

16. Costs are itemized below using the following categories:

- (i) **Civil works.** Includes service contracts for construction and installation of project works; and may include provision of related equipment, materials, and supplies. Financed by the ADB loan, with the GOB counterpart funds responsible for tax and duties.
- (ii) **Equipment and goods.** Includes procurement contracts for equipment, materials, and supplies. Financed by the ADB loan. GOB counterpart funds will be responsible for tax and duties.
- (iii) **Environment, resettlement, and land acquisition.** Includes expenditures for temporary or permanent occupancy of land and associated resettlement activities and expenditures for implementing environmental management measures. Financed by the GOB counterpart funds.
- (iv) **Consulting services and training.** Includes expenditures for detailed engineering design, construction supervision, and implementation support (procurement and financial management, safeguards implementation and monitoring, project performance monitoring and evaluation). Financed by ADB loan, the GOB counterpart funds will be responsible for tax and duties.
- (v) **Project management (recurrent cost).** Includes expenditures for PMO and PIO staff and office accommodation. Financed jointly by ADB loan and the GOB counterpart funds.

³ Both grants were completed in June 2024 and financially closed in October 2024.

- (vi) **Physical contingencies.** Budgetary provision to cover unexpected costs and cost overruns. Financed by the GOB counterpart funds.
- (vii) **Price contingencies.** Budgetary provision to cover inflationary increases in costs. Financed by the GOB counterpart funds.

17. The above cost categories include taxes, duties, transportation, and insurance costs.

B. Key Assumptions

18. The following key assumptions underpin the cost estimates and financing plan for the additional financing:

- (i) Exchange rate: PRs278 = \$1.00 (as of 15 February 2025).
- (ii) Price and physical contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 7: Escalation Rates for Price Contingency Calculation

Item	2025	2026	2027	2028	Average
Foreign rate of price inflation	1.8%	1.8%	1.8%	1.8%	1.8%
Domestic rate of price inflation	6.0%	5.8%	5.5%	5.0%	5.6%

Source: Asian Development Bank.

- (iii) There are no in-kind contributions.

C. Summary Cost Estimates

19. The project with the additional financing is estimated to cost \$196.6 million (Table 8).

Table 8: Summary Cost Estimates
(\$ million)

Item	Current Amount ^a	Additional Financing ^b	Total
A. Base Cost^c			
1. Output 1: Irrigation infrastructure and watershed protection constructed and/or Rehabilitated	89.7	44.8	134.5
2. Output 2: Command area established and/or improved	17.0	8.9	25.9
3. Output 3: Institutional capacity strengthened	10.8	5.5	16.3
Subtotal (A)	117.5	59.2	176.7
B. Contingencies^d	15.4	0.0	15.4
C. Financial Charges During Implementation^e	3.2	1.2	4.5
Total (A+B+C)	136.1	60.4	196.6

^a Refers to the original amount.

^b Includes taxes and duties of \$7.49 million. Such amount does not represent an excessive share of the project cost. The government will finance taxes and duties of \$7.49 million through counterpart financing as cash contribution.

^c In mid-2025 prices as of February 2025.

^d Includes physical and price contingencies and a provision for exchange rate fluctuation.

^e Includes interest, commitment, and other charges on all sources of financing.

Note: Numbers may not sum precisely due to rounding.

Sources: Asian Development Bank and Government of Balochistan estimates.

20. The summary financing plan is in Table 9.

Table 9: Summary Financing Plan

Source	Current ^a		Additional Financing		Total	
	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)
Asian Development Bank						
OCR (concessional loan)	100.0	73.5	48.0	79.5	148.0	75.3
JFPR Grant	3.0	2.2			3.0 ^b	1.5
HLTF Grant	2.0	1.5			2.0 ^b	1.0
Government	31.1	22.9	12.4	20.5	43.6	22.2
Total	136.14	100.0%	60.4	100.0	196.6	100.0

HLTF = high level technology fund, JFPR = Japan Fund for Prosperous and Resilient Asia, OCR = ordinary capital resources

^a Refers to the original amount.

^b The grants stand financially closed.

Source: Asian Development Bank estimates.

E. Allocation and Withdrawal of Loan and Grant Proceeds

Table 10: Allocation and Withdrawal of Loan Proceeds (Additional Financing)

No.	Item	Category Total (\$)	Percentage and Basis for Withdrawal from Loan Account
1	Civil works	43,705,000	87.5% of total expenditure claimed
2	Consulting Services, Trainings, and Goods	1,861,000	83.0% of total expenditure claimed
3	Recurrent cost - Project management	1,186,000	100.0% of total expenditure claimed*
4	Interest Charge	1,248,000	100.0% of amount due
	Total	48,000,000	

* Exclusive of taxes and duties imposed within the territory of the borrower.

Source: Asian Development Bank estimates.

F. Contract and Disbursement S-Curve

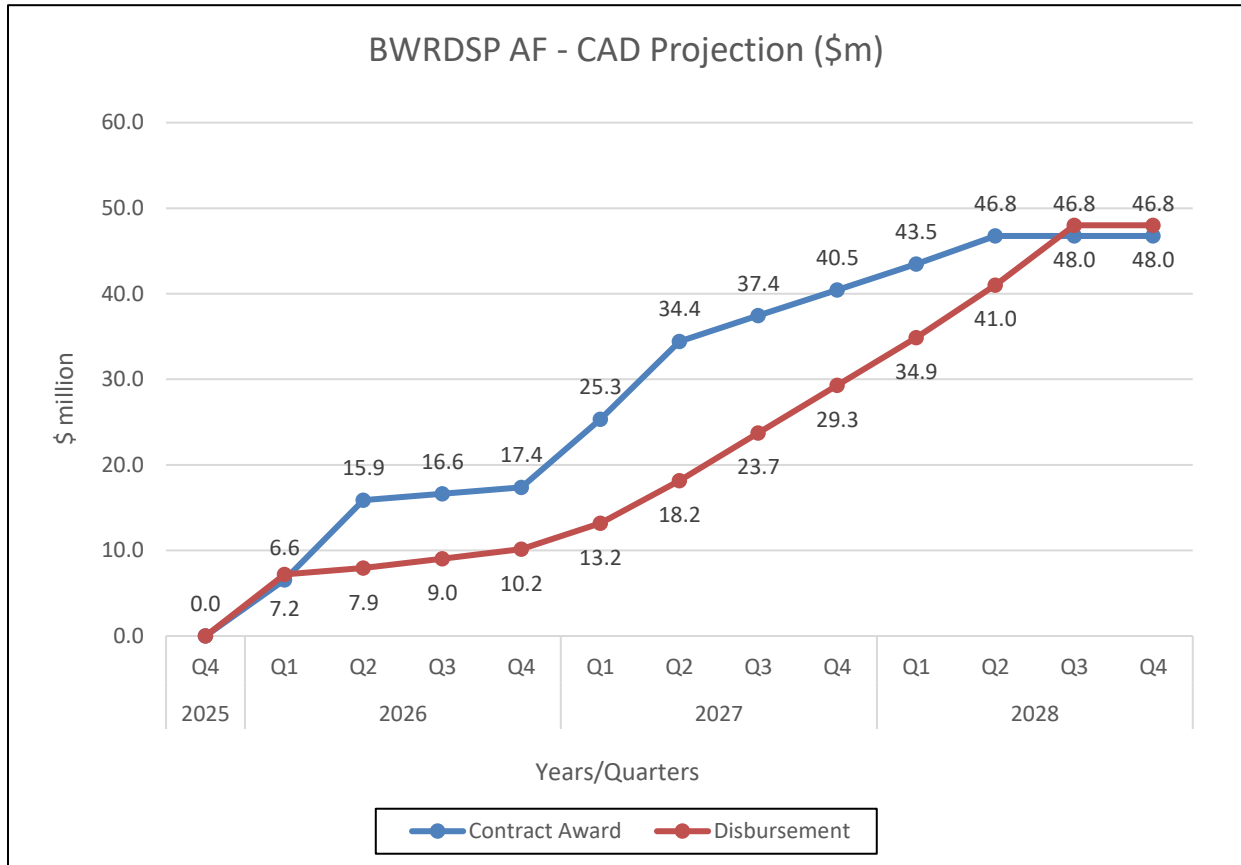
Table 11: Additional Financing Loan
(\$ million equivalent)

	Contract Awards					Disbursement				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2026	6.550	9.313	0.745	0.745	17.353	7.184	0.745	1.111	1.111	10.151
2027	7.984	9.086	3.017	3.017	23.104	3.017	4.996	5.571	5.571	19.155
2028	3.017	3.278	-	-	6.295	5.571	6.147	6.976	-	18.694
Total					46.752					48.000

Q = quarter.

Source: Asian Development Bank estimates.

Figure 2: Contract and Disbursement S-curve (Additional Financing)



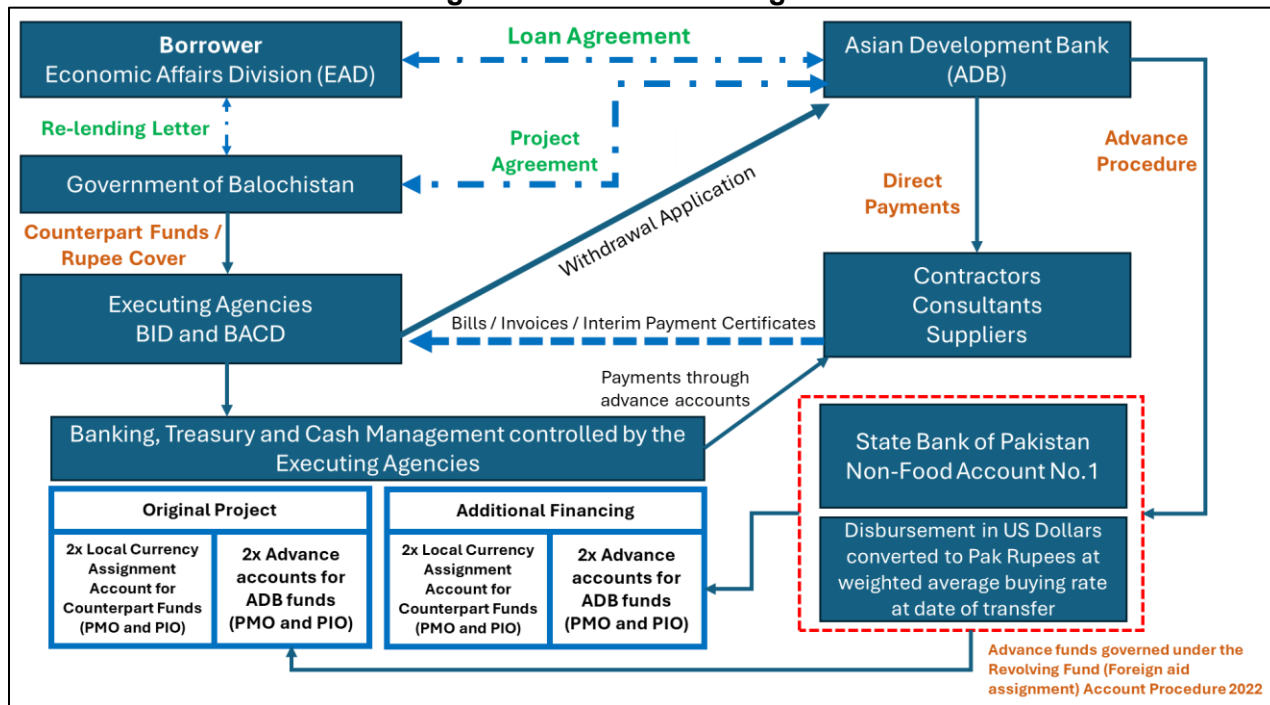
ADB = Asian Development Bank, AF = Additional Financing, BWRDSP = Balochistan Water Resources Development Project, CAD = Contract Award and Disbursement, Q = quarter.

Source: Asian Development Bank estimates.

G. Fund Flow Diagram

21. The funds flow reflected will remain unchanged in implementing the additional financing.

Figure 3: Funds Flow Diagram



ADB = Asian Development Bank, GOB = Government of Balochistan, PIO = project implementation office (agriculture department), PMO = project management office (irrigation department).
Source: ADB.

- Flow of funds
- Withdrawal Application
- - -> Loan repayment
- . -> Agreements
- - -> Bills / Invoices / Interim Payment Certificates

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

22. A financial management assessment (FMA) was conducted in February 2025 in accordance with ADB's Guidelines.⁴ The FMA evaluated the capacity of the BID in conjunction with its PMO as the primary executing and implementing agency. Furthermore, the agricultural component of the project, which relates to command area development subsequent to completion of infrastructure works carried out by the BID, would be implemented by the BACD representatives in the PIO. The PIO is housed within the PMO for the purpose of this project and is thus not treated as a separate entity. The FMA covered the evaluation of both PMO and PIO in various aspects including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements.

23. Based on the assessment, the key financial management risks identified are (i) inadequate finance and accounts staff in project management office to handle workload of additional financing; (ii) delayed payments to contractors and consultants resulting in slow physical progress due to embargo by the provincial finance department on direct payment disbursement modality; (iii) inadequate arrangement of internal audit at provincial, the executing agency's, and the project's levels; and (iv) manual bookkeeping on spreadsheets. It is concluded that the overall pre-mitigation financial management risk is *substantial*. The PMO and PIO have adequate and demonstrable capacity and suitability to utilize Advance Fund and statement of expenditure (SOE) procedure with no fixed Advance Fund limit. The GOB and the BID have agreed to implement an action plan as key measures to address the deficiencies.⁵

Table 12: Financial Management Action Plan

	Action	Risk	Responsibility	Timeline
1.	Hiring complementary staff or consultants in the finance section of the PMO/PIO as per requirements to effectively distribute workload.	Moderate	BID and PMO/PIO	Within 6 months after loan effectiveness
2.	Institutionalizing the internal audit function at least at the project level.	Substantial	BID and PMO/PIO	Within 12 months after loan effectiveness
3.	Deploy accounting software within one month of effectiveness of the additional financing.	Substantial	BID and PMO/PIO	Within 1 month after loan effectiveness ⁶
4.	Opening of an advance account for managing the project funds in accordance with the Government's Foreign Aid Assignment Account Procedures for the additional financing proceeds	Moderate	Government of Balochistan and PMO/PIO	Within 2 months after loan effectiveness

BID = Balochistan Irrigation Department, PIO = project implementation office, PMO = project management office.
Source: Asian Development Bank.

B. Disbursement

⁴ ADB. 2015. [Financial Management Technical Guidance Note](#).

⁵ Financial management assessment was conducted in February 2025, when the ongoing project was facing the issue of embargo on use of direct payment procedures. However, since the embargo was lifted subsequently in March 2025, the related mitigation action has been deleted from the action plan in Table 12 above.

⁶ Process of shifting to a computer-based accounting system started since July 2025 – expected to complete by November 2025.

1. Disbursement Arrangements for ADB and ADB-administered Trust Funds

24. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2022, as amended from time to time),⁷ and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.⁸ Project staff are encouraged to avail themselves of this training to help ensure efficient disbursement and fiduciary control.

25. The BID and the BACD will use direct payment and advance account disbursement procedures. As in the ongoing project, the PMO and the PIO will be responsible for (i) collecting and retaining supporting documents, and (ii) preparing and sending withdrawal applications to ADB. Detailed procedures are outlined in ADB's *Loan Disbursement Handbook* and ADB's Project Financial Management Manual.

26. **Advance fund procedure.** Two separate advance accounts (foreign aided assignment accounts) will be established at the National Bank of Pakistan for receipt of funds from ADB for the additional financing for both BID and BACD components. The currency of the advance accounts is United States dollar. The advance accounts are to be used exclusively for ADB's share of eligible expenditures. The PMO and the PIO shall be responsible for administering BID and BACD advance accounts respectively, and would be accountable and responsible for proper use of advance funds.

27. The total outstanding advance to the advance accounts should not exceed the estimate of ADB's share of expenditure to be paid through the respective advance account for the forthcoming 6 months. The implementing agencies may request for initial and additional advances to the advance accounts based on an Estimate of Expenditure Sheet,⁹ setting out the estimated expenditures to be financed through the accounts for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the implementing agencies in accordance with ADB's *Loan Disbursement Handbook* (2022, as amended from time to time) when liquidating or replenishing the advance accounts.

28. **Statement of expenditure procedure.**¹⁰ The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance accounts. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

29. **Withdrawal applications.** Before the submission of the first withdrawal application (WA), the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the WAs on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA is stipulated in the *Loan Disbursement Handbook* (2022, as amended from time to time). Individual payments below such amount should

⁷ The handbook is available at ADB. [Loan Disbursement Handbook 2022](#).

⁸ Project staff already registered in ADB's eLearn platform can access the [ADB Disbursement Simplified course on eLearn](#). New users can register for the online training by submitting the [course registration form](#).

⁹ Estimate of Expenditure Sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2022, as amended from time to time),

¹⁰ SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* (2022, as amended from time to time).

be paid (i) by the BID (PMO) and BACD (PIO) and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements system is encouraged for submission of WAs to ADB.¹¹

2. Disbursement Arrangements for Counterpart Fund

30. For the counterpart share, the government will allocate the budget in the Province's Public Sector Development Program following the government procedures. The BID (PMO) and BACD (PIO) will be responsible for (i) preparing disbursement projections, and (ii) requesting budgetary allocations for counterpart funds. The GOB will finance local taxes and duties under the project in cash or through exemption.

C. Accounting

31. The PMO (BID) and PIO (BACD) will maintain, or cause to be maintained, separate books and records by funding sources for all expenditures incurred on the project following International Public Sector Accounting Standard (IPSAS) for cash-based accounting. The PMO and PIO will prepare separate project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices, and these will be consolidated by the PMO (ID), with support and inputs from PIO (BACD), for submission to the auditors and ADB. Since this is an additional financing project, a single set of project financial statements for both the original project and additional financing shall be prepared.

D. Auditing and Public Disclosure

32. The PMO and PIO will cause the consolidated project financial statements to be audited in accordance with International Standards of Supreme Audit Institutions (ISSAI), by the Auditor General of Pakistan. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the executing and implementing agencies.

33. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

34. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

35. The GOB and the PMO have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial

¹¹ The Client Portal Disbursements facilitates online submission of withdrawal application to ADB, resulting in faster disbursement. The borrower needs to complete the registration form, which is available at [ADB. Guide to the Client Portal for Disbursements.](#)

statements.¹² ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

36. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy.¹³ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.¹⁴

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

37. All procurement under the project shall be governed by ADB Procurement Policy (2017, as amended from time to time) and ADB Procurement Regulations for ADB Borrowers for Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time).

38. All the procurement packages under the additional financing will be awarded after the effectiveness of loan for additional financing. However, in order to increase procurement readiness, the executing agency may initiate the procurement process before the signing of the loan and to the extent that the lowest evaluated (or the top ranking) bidder is determined. The issuance of invitations to bid under advance actions will be subject to ADB approval.

39. **Retroactive financing.** Retroactive financing will be allowed to the extent of meeting the financing requirements of the eligible expenditures made under the original loan as already included within the scope of additional financing. The retroactive financing amount is up to 20% of the ADB loan amount. Expenditures financed under retroactive financing are incurred prior to loan effective date but generally not earlier than 12 months before signing the loan agreement.

40. The borrower, executing, and implementing agencies have been advised that approval of advance procurement actions and retroactive financing does not commit ADB to finance the project.

¹² ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

¹³ ADB. 2018. [Access to Information Policy](#).

¹⁴ Such information falls under the Access to Information Policy's exceptions to disclosure. Footnote 10, para. 16.

B. Procurement of Goods, Works, and Consulting Services

41. **Additional Financing.** All procurement under the project shall be governed by ADB Procurement Policy (2017, as amended from time to time) and ADB Procurement Regulations for ADB Borrowers for Goods, Works, Nonconsulting, and Consulting Services (2017, as amended from time to time). The additional financing will cover 17 packages: (i) 15 civil works contracts approximately amounting to \$12.25 million, and (iii) 2 consulting services contracts amounting to \$.0.83 million.

42. The assessed procurement risk for the additional financing is *substantial*, reflecting inadequate procurement capacity of the BACD, site security concerns, and many contract modifications due to design-related issues. To address these shortcomings and enhance procurement efficiency under the additional financing, tailored mitigation measures have been incorporated into the Strategic Procurement Planning (SPP) report of April 2025. Key actions include engaging a procurement and contract management expert to support the BACD, providing additional training and enforcing prior review for complex procurement packages. These measures will strengthen oversight, improve compliance, and mitigate risks in future procurement activities. Additionally, site security poses a serious risk that requires a well-defined and proactive mitigation plan. Without adequate security measures, procurement and implementation activities could face severe delays or disruptions. Addressing these risks through comprehensive planning, capacity building, and risk mitigation strategies is essential to ensuring the successful execution of procurement under the additional financing.

C. Procurement Plan (Additional Financing)

Basic Data

Project Name: Balochistan Water Resources Development Sector Project - Additional Financing	
Project Number: 48098-003	Approval Number: XXXX
Country: Islamic Republic of Pakistan	Executing Agency: Irrigation Department of the Government of Balochistan
Project Procurement Risk: Substantial	Implementing Agency: Agriculture and Cooperatives Department of the Government of Balochistan through Project Implementation Office
Project Financing Amount: US\$60.4 million ADB Financing: US\$48.0 million Cofinancing (ADB Administered): Non-ADB Financing: US\$12.4 million	Project Closing Date: 31 December 2028
Date of First Procurement Plan: 11 April 2025	Date of this Procurement Plan: 11 April 2025
Procurement Plan Duration: 18 months	Related to COVID-19 response efforts: No
Advance Contracting: Yes	Use of e-procurement (e-GP): Yes, only for e-publication

a. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, and consulting services.

Procurement of Goods and Works	
Method	Comments
OCB for Goods	Above \$100,000 (prior review if above \$500,000)
RFQ for Goods	Up to \$99,999 (post review)
OCB for Works	Above \$200,000 (prior review if above \$1,000,000)

RFQ for Works	Up to \$199,999 (post review)
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Consulting Services	
Method	Comments
Direct Selection	Prior review
Individual Consultant Selection	Prior review

b. Lists of Active Procurement Packages (Contracts)

The following table lists goods, works, non-consulting and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
VWC-04	Watershed Management Works Ahmedzai PIS + FIS ¹⁵	40,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
KFO-04	Khushkaba Area Development Ahmedzai PIS + FIS	4,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
NCB-CAD-01	Command Area Development and Khushkaba Area Development Siri Toi Dam	10,569,000	OCB (National)	Prior	1S2E	Q2/2025	Non-Consulting Services: No Advertisement: National Prequalification: No Bidding Document: ADB's Standard Bidding Document for Small Works Advance Contracting: No

¹⁵ PIS is "perennial irrigation system" which a continuous and reliable water supply to crops throughout the year from canals and reservoirs unlike FIS "flood irrigation systems" that rely on seasonal rainfall or limited water sources for irrigation.

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
							e-GP: Yes (Publication only) Risk Level: Moderate Covid-19 Response: No Complexity Level: 2
VWC-05	Watershed Management Works Killi Sardar Akhter PIS	10,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
VWC-06	Watershed Management Works Churri Infiltration Gallery	40,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
CAD-CW-05	Command Area Development Churri Infiltration Gallery	220,000	OCB (National)	Post (sampling)	1S1E	Q2/2025	Non-Consulting Services: No Advertisement: National Prequalification: No Bidding Document: ADB's Standard Bidding Document for Small Works Advance Contracting: No e-GP: Yes (Publication only) Risk Level: Low Covid-19 Response: No Complexity Level: 1
KFO-S-05	Khushkaba Area Development Churri Infiltration Gallery Pashta Khan &	50,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
	Garambowad PIS						Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
VWC-07	Watershed Management Works Pashta Khan & Garambowad PIS	5,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
CAD-CW-06	Command Area Development Pashta Khan & Garambowad PIS	370,000	OCB (National)	Post (sampling)	1S1E	Q2/2025	Non-Consulting Services: No Advertisement: National Prequalification: No Bidding Document: ADB's Standard Bidding Document for Small Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
VWC-01	Watershed Management Works and Karkh River Development Scheme	187,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
KFO-S-01	Khushkaba Area Development and Karkh River	72,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
	Development Scheme and Kharzan Hatachi Infiltration Gallery						Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
CAD-CW-03	Command Area Development and Kharzan Hatachi Infiltration Gallery	260,000	OCB (National)	Post (sampling)	1S1E	Q2/2025	Non-Consulting Services: No Advertisement: National Prequalification: No Bidding Document: ADB's Standard Bidding Document for Small Works Advance Contracting: No e-GP: Yes (Publication only) Risk Level: Low Covid-19 Response: No Complexity Level: 1
VWC-08	Watershed Management Works and Manyalo, Raiko & Rind Ali PIS	10,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
CAD-CW-07	Command Area Development and Manyalo, Raiko & Rind Ali PIS	340,000	OCB (National)	Post (sampling)	1S1E	Q1/2025	Non-Consulting Services: No Advertisement: National Prequalification: No Bidding Document: ADB's Standard Bidding Document for Small Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1
KFO-S-07	Khushkaba Area Development	70,000	RFQ (Works)	Post (sampling)	RFQ	Q4/2025	Non-Consulting Services: No Advertisement: N/A

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
	and Manyalo, Raiko & Rind Ali PIS						Prequalification: No Bidding Document: ADB's Standard RFQ for Works Advance Contracting: No e-GP: Yes (Publication only) Covid-19 Response: No Risk Level: Low Complexity Level: 1

Consulting Services							
Package Number	General Description	Estimated Value (\$)	Selection Method	Review	Type of Proposal	Advertisement Date	Comments
ICS-01	Procurement and Contracts Specialist	0.050	ICS	Prior	EOI	Q4 2025	Non-Consulting Services: No Type: ICS Assignment: National Covid-19 Response? No Risk Level: Low Complexity Level: 1 Comments: Will be hired through ADB's CMS.
CS-02	Agriculture Extension (farmer field schools and training, demo plots etc.)	0.776	Direct Contracting	Prior	STP	Q3 2026	Non-Consulting Services: No Type: N/A Assignment: National Risk Level: Low Complexity Level: 3 Covid-19 Response? No Comments: The services will be delivered by Balochistan Agriculture Extension Services Department (BAES)

c. List of Indicative Packages (Contracts) Required Under the Project

The following table lists goods, works, non-consulting and consulting services contracts for which procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e., those expected beyond the current procurement plan duration).

Goods and Works						
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Comments
None						

Consulting Services						
Package Number	General Description	Estimated Value (in US\$)	Selection Method	Review	Type of Proposal	Comments
None						

VII. SAFEGUARDS

43. **Social Safeguards.** In compliance with ADB's Safeguard Policy Statement (SPS, 2009), the additional financing is classified as category C for involuntary resettlement, and indigenous peoples since (i) it will be used exclusively to bridge cost overruns within the existing project scale and scope, and (ii) there are no indigenous peoples in the project area as defined by ADB's SPS (2009). No indigenous communities will be affected by the project and, accordingly, no indigenous peoples planning document is required. The project's physical scope remains the same, and all social safeguards documents prepared for the ongoing project, including the land acquisition and resettlement framework and the land acquisition and resettlement plan (LARP), will remain in effect.

44. **Environment.** The additional financing is classified as category C for environment since it will be used exclusively to bridge cost overruns within the existing project scale and scope. The project's physical scope remains the same, and all environment related safeguards documents prepared for the ongoing project, including the environmental assessment review framework; initial environmental examinations, and environmental impact assessment will remain in effect.

45. **Information Disclosure and Stakeholder Participation.** The BID and/or PMO shall ensure that the resettlement plan and monitoring reports are disclosed by: (i) uploading the draft and ADB approved final LARP on the BID and ADB websites; (ii) placing hard copies of approved RP translated into Urdu in the offices of the PMO, District Revenue Department, and representatives of displaced persons (DPs); and (iii) translating the executive summary of ADB approved RPs, bearing information on project impacts, asset valuation, entitlements, compensation budget and provisions with institutional arrangements in place, and providing to the affected community. The PMO shall (i) conduct additional consultations and regular field visits during updating and implementation of the LARPs; (ii) inform DPs about (a) resettlement impacts, asset valuation, entitlements, and compensation payment modalities with timelines, and (b) rehabilitation and income restoration measures suggested for the DPs; and (iii) hold regular meetings with surrounding communities and DPs including women and vulnerable groups to share project related information during the project implementation period.

46. **Prohibited investment activities.** Pursuant to ADB's SPS (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at

Appendix 5 of the SPS (2009).

VIII. GENDER EQUALITY AND SOCIAL DIMENSIONS

47. **Gender.** The project will continue to implement and report on the existing gender action plan which has been revised as gender assessment and action plan (GAAP). However, the gender mainstreaming category of the additional financing is *some gender element*. This is based on the updated guidelines for gender mainstreaming as of January 2025 that requires more gender transformative actions for effective gender mainstreaming categorized projects. The current gender action plan has indicators such as women participation in the assessments or sex disaggregated data that do not qualify as gender indicators under the updated guidelines.

48. **Social Dimensions.** The province of Balochistan faces a severe poverty challenge, ranking second highest in Pakistan for multidimensional poverty, surpassed only by the former Federally Administered Tribal Areas region. Overall, 71% of Balochistan's population experiences multidimensional poverty, with a stark disparity between rural (85%) and urban (38%) areas. The project has geographic targeting and high rural impact. A poverty, social, and gender assessment was conducted during preparation of the ongoing project. The project built several measures for social inclusion and rural residents' improved living standards, including (i) establishing a command area for rural villages and the poor; (ii) involving local communities in project design and implementation; and (iii) providing targeted training for local people, especially for the poor and women. The project will directly benefit 42,900 rural population in 34 villages of the Mula and Zhob river basins. With increased water supply, the project will increase the farm incomes of the population residing in the project area. It will contribute toward the employment generation for the local labor—both on and off-farm.

49. There is no engagement of civil society organizations and/or nongovernment organizations as the contracts will be given to contractors. One contract will be given to the Agriculture Extension Department, including conduct of some trainings to farmers.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Monitoring

50. **Project performance monitoring.** There is a well-established system of monitoring and reporting at PMO for providing progress on achieving the planned outcome and outputs. The progress reports are being submitted regularly on a quarterly basis. The PMO will continue to be responsible for monitoring and reporting on overall project performance. The basis for performance monitoring will continue to be the design and monitoring framework, which identifies performance targets for the impact, outcome, and outputs of the project.

51. **Compliance monitoring.** During project implementation, ADB and the PMO will closely monitor the compliance of all the covenants under the project and will take necessary remedy actions for any noncompliance. The compliance status will be reported in the quarterly progress report by the PMO and will be reviewed during project review missions.

52. **Safeguards monitoring.** The PMO together with the PIO will submit to ADB semiannual safeguards monitoring reports during the construction phase and annual safeguards monitoring reports during the operation phase to ADB and disclose relevant information from such reports to affected persons promptly upon submission. If any unanticipated environmental and/or social

risks and impacts arise during construction, implementation or operation of the project or any subproject that were not considered in the respective environmental impact assessment, initial environmental examination, EMP, or RP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan. The PMO together with the PIO will report any actual or potential breach of compliance with the measures and requirements set forth in an EMP or RP promptly after becoming aware of the breach. The 3rd Party Environmental Monitoring Consultant will also submit bi-annual monitoring reports to ADB during construction. Moreover, the supervision consultant will submit monthly environmental monitoring reports to the PMO during the construction phase of subprojects.

53. **Gender and social dimensions monitoring.** The monitoring indicators for the GAAP are already built in the project performance management system (PPMS). Clear targets and indicators are also established and some indicators are captured in the design and monitoring framework. The regular project progress reports will include reporting on GAAP indicators. Comprehensive gender results and impacts will be documented and will be part of the project completion report.

B. Evaluation

54. ADB, the PMO, and the PIO will undertake a semiannual review mission to evaluate the progress of project implementation. ADB, the PMO, and the PIO will undertake a comprehensive midterm review 2 years after the start of project implementation to have a detailed evaluation of the scope, implementation arrangements, resettlement, achievement of scheduled targets, and progress on the agenda for policy reform and capacity building measures. Feedback from the PPMS activities will be analyzed. Within 3 months of physical completion of the project, the PMO together with the PIO will submit a project completion report inclusive of gender results to ADB.

C. Reporting

55. The PMO will provide ADB with (i) quarterly project progress reports in a format consistent with ADB's PPMS; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. In addition, the PMO will submit ADB the following reports (i) semiannual environmental monitoring report; (ii) semiannual resettlement monitoring report; and (iii) audited accounts within 6 months of the end of each fiscal year. The PMO will also forward external resettlement monitoring and evaluation reports to ADB.

D. Stakeholder Communication Strategy

56. Project information will be communicated through public consultation, information disclosure mechanism in ADB's and government's website, meetings, interviews, focus group discussions, and community consultation meetings, in accordance with ADB's requirements of information disclosure policy. Main stakeholders are the different government agencies, beneficiaries, affected persons, and participants in the project implementation. Stakeholder communication is also part of the GAP and will be monitored accordingly.

X. ANTICORRUPTION POLICY

57. Implementation of the project shall adhere to ADB's Anticorruption Policy (1998) and

Investigation and Enforcement Framework (2024), both as amended from time to time. ADB has the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project. All contracts financed by ADB shall include provisions specifying that (i) the contracts are ADB-financed; (ii) ADB's Anticorruption Policy and Investigation and Enforcement Framework apply; (iii) the executing and implementing agencies and all project contractors, suppliers, consultants (including lead firms and sub-consultants), and other service providers shall permit ADB to review and inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by ADB; and (iv) the project contractors, suppliers, consultants (including lead firms and sub-consultants), and other service providers undertake that no fees, gratuities, rebates, gifts, commissions, or other payments other than those shown in the bid have been offered, given, or received in connection with the procurement process or in the contract execution. Individuals and entities on ADB Debarment and Suspension Register¹⁶ are ineligible to participate in ADB-financed, -administered, and -supported activity and cannot be awarded any contracts under the project.¹⁷ Office of Anticorruption and Integrity (OAI) endorsement should be sought and obtained prior to the effectivity of, or approving, any contract variation involving a debarred or suspended firm or individual in ADB Debarment and Suspension Register, regardless of the nature or cost of contract variation.

58. Underpinned by ADB's zero tolerance for corruption, OAI aligns with ADB's commitment to strengthen governance across Asia and the Pacific. To report a complaint of integrity violations to ADB's OAI, please visit <https://www.adb.org/integrity/report-violations#accordion-0-2>.

59. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project.

XI. ACCOUNTABILITY MECHANISM

60. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹⁸

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

61. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the project administration manual, including revision to contract awards and disbursement s-curves.

Description of Revision	Date

¹⁶ ADB. [ADB Debarment and Suspension Register](#); and ADB. [Frequently Asked Questions on ADB Sanctions](#).

¹⁷ ADB. [Procurement Regulations for ADB Borrowers](#); and ADB. [Office of Anticorruption and Integrity](#).

¹⁸ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

REVISED DESIGN AND MONITORING FRAMEWORK

The revised design and monitoring framework strikes out content for deletion and underlines content to be added.

Impacts the Project is Aligned with			
Farm income in Balochistan increased (Balochistan Development Vision and Strategy) ^a Water resources management in Balochistan improved (Integrated Water Resources Management Policy Balochistan) ^b			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Agricultural productivity in the project area increased	By 2029: a. In Zhob river basin, crop yield increased to 5,400 kg/ha for apricots; 2,500 kg/ha for wheat; 8,900 kg/ha for hybrid maize (corn); and 10,500 kg/ha for winter fodders (2014 baselines: 4,500 kg/ha for apricots, 2,031 kg/ha for wheat, 7,413 kg/ha for hybrid maize, and 8,500 kg/ha for winter fodders) (OP5.3) b. In Mula river basin, crop yield increased to 3,750 kg/ha for citrus; 2,700 kg/ha for wheat; 1,800 kg/ha for cotton; and 11,000 kg/ha for winter fodders (2014 baselines: 3,000 kg/ha for citrus; 2,224 kg/ha for wheat; 1,277 kg/ha for cotton; and 9,000 kg/ha for winter fodders) (OP5.3)	a.–b. GOB’s yearly agriculture statistics and/or survey reports	R: Climate change may reduce water availability for agriculture, <u>and locusts may cause loss of crops.</u>
Outputs 1. Irrigation infrastructure and watershed protection constructed and/or rehabilitated	By 2028: 1a. About 11 irrigation subprojects ^c constructed and/or rehabilitated, of which 30% have facilities for women’s increased access to water for domestic use (2017 baseline: 0) (OP2.3.2; OP2.4.1; OP3.2.5) 1b. 172 kilometers long irrigation and drainage canals constructed and/or rehabilitated (2017 baseline: 0) (OP5.1.1; OP3.2.5) 1c. About 4,145 ha of watersheds protected from water erosion (2017 baseline: 0) (OP3.2.5) 1d. Groundwater table monitoring in the project area conducted and reported {2017 baseline: Not	1a.–1d. The PMO’s quarterly progress and completion reports, and ADB’s loan review missions	R: Security situation in the project area deteriorates to a level that does not allow work on contracts.

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
2. Command area established and/or improved	<p>applicable) (OP3.3.5)</p> <p>2a. About 11,603 ha of land improved and served by constructed or rehabilitated irrigation and <i>khushkaba</i> (rainwater harvesting) infrastructure (2017 baseline: 0) (OP 5.1.1; OP 5.3.1)</p> <p>2b. About 5,989 ha of land developed under new irrigation infrastructure (2017 baseline: 0) (OP5.1.1; OP5.5.3.1)</p> <p>2c. About 103 ha of high-value agricultural land pilot tested with drip irrigation system through the Japan Fund for Prosperous and Resilient Asia and the Pacific grant (2017 baseline: 0) (OP5.3.2)</p> <p>2d. At least 22 small-scale agribusinesses led by women launched (2017 baseline: 0) (OP2.3.1; OP2.5.1; OP5.3.2)</p> <p>2e. At least 750 trained farmers increased their knowledge and skills in the efficient use of water and value-added farming; and at least 250 women trained in income-generating high-value agribusinesses (2017 baseline: NA) (OP2.3.1 and OP5.3.2)</p>	2a.–2e. The PMO's quarterly progress and completion reports, and ADB's loan review missions	
3. Institutional capacity strengthened	<p>3a. The WRIS established and operational through technical assistance (2017 baseline: NA) (OP3.3.5)</p> <p>3b. High-level technology hydrometeorological equipment used in the field validation of satellite-based WRIS data for monitoring of water resources in ten river basins under the High-Level Technology Fund grant (2017 baseline: NA) (OP 3.3.5)</p> <p>3c. At least 40 trained staff from the Balochistan Irrigation Department, the BACD, and the PMO, and/or the project</p>	3a.–3c. The PMO's quarterly progress and completion reports, and ADB's loan review missions	

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
	implementation office, of whom at least 30% are women, increased their project management and implementation skills (2017 baseline: NA) (OP2.3.1)		
Key Activities with Milestones			
1. Irrigation infrastructure and watershed protection constructed and/or rehabilitated			
1.1 Prepare detailed engineering design and bidding documents (Q3 2018–Q4 2024) (completed)			
1.2 Complete resettlement plan update and land acquisition (Q3 2018–Q4 2025)			
1.3 Advertise the Siri Toi Dam construction package through international competitive bidding (Q3 2019) (completed)			
1.4 Conduct procurement of civil works and equipment (Q4 2018–Q3 2026)			
1.5 Award contracts for irrigation infrastructure, including dams, canals, and other structures (Q4 2018–Q4 2025)			
1.6 Complete civil works construction and equipment installation, including dams, canals, and other structures (Q4 2018– Q2 2027 Q2 2028)			
1.7 Complete watershed protection measures (Q1 2023–Q4 2026)			
2. Command area established and/or improved			
2.1 Prepare detailed engineering design and bidding documents (Q3 2022–Q2 2026)			
2.2 Complete resettlement plan update and land acquisition (Q3 2018–Q2 2025)			
2.3 Conduct procurement of civil works and equipment (Q4 2022–Q3 2026)			
2.4 Complete command area development or rehabilitation of farmers' managed irrigation facilities (Q4 2022– Q2 2027 Q2 2028)			
2.5 Complete training of farmers in the efficient use of water and value-added farming (Q4 2022–Q4 2025) (completed)			
2.6 Complete activities related to awareness-raising on safe drinking water practices, nutritional value of food, and kitchen gardening techniques (Q4 2022–Q4 2023) (completed)			
2.7 Complete construction of fruit, vegetable, and olive oil processing units (Q4 2022–Q4 2023) (completed)			
2.8 Establish 22 small-scale agribusinesses led by women (Q4 2022–Q4 2023) (completed)			
3. Institutional capacity strengthened			
3.1 Recruit consultants for detailed design, construction supervision, and implementation support (Q3 2018–Q1 2020) (completed), including advertising the package through advance action (Q2 2018) (completed)			
3.2 Conduct training for the Balochistan Irrigation Department, the BACD, the PMO, and the project implementation office on project management and implementation (Q3 2018–Q3 2023) (completed)			
3.3 Conduct training for farmers on advanced farming technologies and water management (Q4 2018–Q2 2027)			
3.4 Procure high-technology equipment for improved water resources management (Q1 2021–Q2 2023) (completed)			
3.5 Recruit consultants for the development of the WRIS, supported by technical assistance (Q4 2018–Q3 2020) (completed)			
3.6 Develop the WRIS (Q3 2019–Q1 2023) (completed)			
3.7 Conduct test and trial operation of the WRIS and provide necessary training to relevant staff (Q4 2022–Q3 2023) (completed)			
Project Management Activities			
Carry out key activities of the gender action plan and the social development action plan (Q1 2019– Q4 2027 Q4 2028)			
Conduct and monitor activities of the resettlement plan, including land acquisition and the environmental management plan (Q1 2019– Q3 2027 Q2 2028)			

Recruit an independent agency for external resettlement monitoring by Q4 2024 (completed)
 Conduct annual and midterm project reviews (Q4 2018–Q4 2027Q4 2028)

Inputs

Asian Development Bank: \$100148.00 million (\$48.00 million additional)

Government: \$43.56 million (\$12.42 million additional)

Japan Fund for Prosperous and Resilient Asia and the Pacific: \$3.00 million (grant)^d

High-Level Technology Fund: \$2.00 million (grant)^d

ADB = Asian Development Bank, BACD = Balochistan Agriculture and Cooperatives Department, ha = hectare, GOB = Government of Balochistan, kg/ha = kilogram per hectare, NA = not applicable, OP = operational priority, PMO = project management office, Q = quarter, R = risk, WRIS = water resources information system.

Note: A minor change in scope approved by the Director General, Central and West Asia Department on 2 April 2025 included changes to the design and monitoring framework as follows: (i) output 1, indicator 1b: reduction in length of irrigation and drainage canals to be constructed by the project from 276 to 172, (ii) alignment of the design and monitoring framework targets of output 3 with the output statements of the report and recommendation of the President, and (iii) output 2, indicator 2c: reduction in land (ha) for the piloting of high-value agriculture from 130 ha to 103 ha.

^a GOB, Chief Minister's Policy Reform Unit. 2014. *Proposed Balochistan Development Vision and Strategy: Concept Note*.

^b GOB, Department of Irrigation and Power. 2006. *Integrated Water Resources Management Policy Balochistan: Approved Policy Document*.

^c Includes nine infrastructure subprojects and two farmer management irrigation subprojects in the Mula and Zhob river basins.

^d Represents actual expenses. The grant has been completed and financially closed.

Source: ADB.

DETAILED COST ESTIMATES BY EXPENDITURE CATEGORY

Item	PRs million				\$ million				% of Total Base Cost
	Foreign Exchange	Local Currency	Taxes and Duties	Total Cost	Foreign Exchange	Local Currency	Taxes and Duties	Total Cost	
A. Investment Costs									
1. Civil works	-	12,150.05	1,735.72	13,885.77	-	43.71	6.24	49.95	84.4%
2. Goods	-	175.03	35.85	210.88	-	0.63	0.13	0.76	1.3%
3. Consulting services (including training)	-	342.32	70.11	412.44	-	1.23	0.25	1.48	2.5%
Subtotal (A)	-	12,667.40	1,841.69	14,509.09	-	45.57	6.62	52.19	88.2%
B. Recurrent Costs									
1. Project management	-	329.57	-	329.57	-	1.19	-	1.19	2.0%
2. Security Costs	-	1,371.35	240.91	1,612.26	-	4.93	0.87	5.80	9.8%
Subtotal (B)	-	1,700.92	240.91	1,941.83	-	6.12	0.87	6.99	11.8%
Total Base Cost (A+B)	-	14,368.32	2,082.60	16,450.92	-	51.68	7.49	59.18	100.0%
C. Contingencies									
1. Physical	-	-	-	-	-	-	-	-	0.0%
2. Price	-	-	-	-	-	-	-	-	0.0%
Subtotal (C)	-	-	-	-	-	-	-	-	0.0%
D. Financial Charges During Implementation									
1. Interest during construction	346.94	-	-	346.94	1.25	-	-	1.25	2.1%
Subtotal (D)	346.94	-	-	346.94	1.25	-	-	1.25	2.1%
Total Project Cost (A+B+C+D)	346.94	14,368.32	2,082.60	16,797.86	1.25	51.68	7.49	60.42	102.1%
% of Total Project Cost									

Notes:

1. Project management cost includes salaries, utilities, fuel and consumables.
2. Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

DETAILED COST ESTIMATES BY FINANCIER (ADDITIONAL FINANCING)

Item	ADB		GOB		Total Cost	
	Amount (\$ million)	% of cost category	Amount (\$ million)	% of cost category	Amount (\$ million)	Taxes and Duties (\$ million)
A. Investment Costs						
1. Civil works	43.71	87.5%	6.24	12.5%	49.95	6.24
2. Goods	0.63	83.0%	0.13	17.0%	0.76	0.13
3. Consulting services (including training)	1.23	83.0%	0.25	17.0%	1.48	0.25
Subtotal (A)	45.57	87.3%	6.62	12.7%	52.19	6.62
B. Recurrent Costs						
1. Project management	1.19	100.0%	-	0.0%	1.19	-
2. Security Costs	-	0.0%	5.80	100.0%	5.80	0.87
Subtotal (B)	1.19	17.0%	5.80	83.0%	6.99	0.87
Total Base Cost (A+B)	46.75	79.0%	12.42	21.0%	59.18	7.49
C. Contingencies						
1. Physical	-	0.0%	-	0.0%	-	-
2. Price	-	0.0%	-	0.0%	-	-
Subtotal (C)	-	0.0%	-	0.0%	-	-
D. Financial Charges During Implementation						
1. Interest during construction	1.25	100.0%	-	0.0%	1.25	-
Subtotal (D)	1.25	100.0%	-	0.0%	1.25	-
Total Project Cost (A+B+C+D)	48.00	79.4%	12.42	20.6%	60.42	7.49
% of Total Project Cost						

ADB = Asian Development Bank, GOB = Government of Balochistan.

Notes:

1. Project management cost includes salaries, utilities, fuel and consumables.
2. Numbers may not sum precisely because of rounding.

Source: ADB estimates.

DETAILED COST ESTIMATES BY OUTPUTS AND/OR COMPONENTS
(\$ million)

Item	At approval (Per PAM)				Additional Financing				Revised Project Cost			
	Total	Output 1	Output 2	Output 3	Total	Output 1	Output 2	Output 3	Total	Output 1	Output 2	Output 3
A. Investment Costs												
1. Civil works	101.66	87.89	12.54	1.33	49.95	39.56	6.42	3.97	151.61	127.35	18.96	5.30
2. Goods	5.67	-	3.61	2.06	0.76	-	0.48	0.28	6.43	-	4.09	2.34
3. Consulting services (including training)	7.47	-	0.11	7.36	1.49	-	0.24	1.24	8.96	-	0.35	8.60
4. Environment, resettlement & land acquisition	0.50	0.50	-	-	-	-	-	-	0.50	0.50	-	-
Subtotal (A)	115.30	88.29	16.26	10.75	52.20	39.56	7.15	5.49	167.50	127.85	23.41	16.24
B. Recurrent Costs												
1. Project management	2.19	1.45	0.74	-	1.19	0.91	0.27	-	3.38	2.36	1.01	-
2. Security Costs	-	-	-	-	5.80	4.35	1.45	-	5.80	4.35	1.45	-
Subtotal (B)	2.19	1.45	0.74	-	6.99	5.26	1.72	-	9.18	6.71	2.46	-
Total Base Cost (A+B)	117.49	89.74	17.00	10.75	59.18	44.82	8.87	5.49	176.67	134.56	25.87	16.24
C. Contingencies												
1. Physical	2.54	1.77	0.52	0.25	-	-	-	-	2.54	1.77	0.52	0.25
2. Price	12.89	11.26	1.46	0.17	-	-	-	-	12.89	11.26	1.46	0.17
Subtotal (C)	15.43	13.03	1.98	0.42	-	-	-	-	15.43	13.03	1.98	0.42
D. Financial Charges During Implementation												
1. Interest during construction	3.22	2.81	0.37	0.04	1.24	0.54	0.30	0.40	4.47	3.35	0.67	0.45
Subtotal (D)	3.22	2.81	0.37	0.04	1.24	0.54	0.30	0.40	4.47	3.35	0.67	0.45
Total Project Cost (A+B+C+D)	136.14	105.58	19.35	11.21	60.42	45.36	9.17	5.89	196.56	150.93	28.52	17.11
% of Total Project Cost	100.0%	77.6%	14.2%	8.2%	100.0%	75.1%	15.2%	9.7%	100.0%	76.8%	14.5%	8.7%

PAM = project administration manual.

Notes:

1. Japan Fund for Prosperous and Resilient Asia and the Pacific and High-Level Technology Fund grants were financially closed with savings of \$0.77 million, which are not reflected in the revised project cost.

2. Numbers may not sum precisely because of rounding.

Source: Asian Development Bank.

DETAILED COST ESTIMATES BY YEAR
(\$ million)

Item	Revised Project Cost			
	Total	2026	2027	2028
A. Investment Costs				
1. Civil works	49.95	10.79	20.05	19.10
2. Goods	0.76	0.16	0.31	0.29
3. Consulting services (including training)	1.49	0.32	0.60	0.57
Subtotal (A)	52.20	11.28	20.96	19.96
B. Recurrent Costs				
1. Project management	1.19	0.26	0.48	0.45
2. Security Costs	5.80	1.25	2.33	2.22
Subtotal (B)	6.99	1.51	2.80	2.67
Total Base Cost (A+B)	59.18	12.79	23.76	22.63
C. Contingencies				
1. Physical				
2. Price				
Subtotal (C)				
D. Financial Charges During Implementation				
1. Interest during construction	1.24	0.10	0.38	0.76
Subtotal (D)	1.24	0.10	0.38	0.76
Total Project Cost (A+B+C+D)	60.42	12.89	24.15	23.39
% of Total Project Cost	100.0%	21.3%	40.0%	38.7%

Source: Asian Development Bank.

SCOPE-WISE BREAKUP OF ADDITIONAL FINANCING COST
(\$ million)

Subproject Name	Additional Utilization - ADB Share				
	Total Additional Financing	AF - Spillover Payments Cost overrun (including IPCs, approved VO and impact of already paid escalations)	AF - New contracts to be awarded	AF - Variation Orders in ongoing contracts yet to be approved by ADB	AF - Price Escalation to be paid in ongoing contracts
A. Zhob River Basin					
1 Ahmedzai Sub - Project	0.119		0.119		
Irrigation Schemes (Irrigation Infrastructure)					
Irrigation Schemes (Watershed)	0.034		0.034		
Command Area Development			-		
Khushkaba Area Development	0.035		0.035		
Command Area Goods + Ext. Svcs.	0.050		0.050		
2 Siri Toi Dam Core Subproject	37.664	4.381	9.738	4.967	18.578
Irrigation Schemes (Irrigation Infrastructure)	27.231	4.164	-	4.967	18.100
Irrigation Schemes (Watershed)	0.695	0.217	-	-	0.478
Command Area Development	9.248	-	9.248	-	-
Khushkaba Area Development	0.091	-	0.091	-	-
Command Area Goods + Ext. Svcs.	0.400	-	0.400	-	-
3 Killi Sardar Akhtar Subproject	0.284	0.204	0.017	-	0.063
Irrigation Schemes (Irrigation Infrastructure)	0.266	0.203	-	-	0.063
Irrigation Schemes (Watershed)	0.009	-	0.009	-	-
Command Area Development	0.000	0.000	-	-	-
Khushkaba Area Development	-	-	-	-	-
Command Area Goods + Ext. Svcs.	0.008	-	0.008	-	-
B. Mula River Basin					
4 Churri Subproject	1.839	1.220	0.272	-	0.346
Irrigation Schemes (Irrigation Infrastructure)	1.567	1.220	-	-	0.346

Additional Utilization - ADB Share					
Subproject Name	Total Additional Financing	AF - Spillover Payments Cost overrun (including IPCs, approved VOs and impact of already paid escalations)	AF - New contracts to be awarded	AF - Variation Orders in ongoing contracts yet to be approved by ADB	AF - Price Escalation to be paid in ongoing contracts
Irrigation Schemes (Watershed)	0.003	-	0.003	-	-
Command Area Development	0.192		0.192		
Khushkaba Area Development	0.035		0.035		
Command Area Goods + Ext. Svcs.	0.041		0.041		
5 Pashta Khan & Garambowed Sub Project	1.151	0.057	0.420		0.675
Irrigation Schemes (Irrigation Infrastructure)	0.731	0.057	-		0.675
Irrigation Schemes (Watershed)	0.004		0.004		
Command Area Development	0.324		0.324		
Khushkaba Area Development	0.009		0.009		
Command Area Goods + Ext. Svcs.	0.083		0.083		
6 Karkh River Core Subproject	0.303	0.001	0.172		0.129
Irrigation Schemes (Irrigation Infrastructure)	0.129		-		0.129
Irrigation Schemes (Watershed)	0.163		0.163		
Command Area Development	-		-		
Khushkaba Area Development	0.009		0.009		
Command Area Goods + Ext. Svcs.	0.001	0.001	-		
7 Kharazan Hatachi Core Subproject	1.579	0.847	0.364		0.368
Irrigation Schemes (Irrigation Infrastructure)	1.215	0.847	-		0.368
Irrigation Schemes (Watershed)	0.063		0.063		
Command Area Development	0.226		0.226		
Khushkaba Area Development	0.054		0.054		
Command Area Goods + Ext. Svcs.	0.021		0.021		
8 Manyalo, Raiko & Rind Ali Subproject	1.361	0.031	0.409		0.922
Irrigation Schemes (Irrigation Infrastructure)	0.952	0.031			0.922

Subproject Name	Additional Utilization - ADB Share				
	Total Additional Financing	AF - Spillover Payments Cost overrun (including IPCs, approved VOs and impact of already paid escalations)	AF - New contracts to be awarded	AF - Variation Orders in ongoing contracts yet to be approved by ADB	AF - Price Escalation to be paid in ongoing contracts
Irrigation Schemes (Watershed)	0.009		0.009		
Command Area Development	0.297		0.297		
Khushkaba Area Development	0.061		0.061		
Command Area Goods + Ext. Svcs.	0.041		0.041		
C. On-farm management component					
9 Farmers Managed Irrigation Schemes for Zhob & Mula river basins	0.550	0.550			
Command Area Development (Zhob 1)	0.138	0.138			
Command Area Development (Zhob 2)	0.138	0.138			
Command Area Development (Mula 1)	0.138	0.138			
Command Area Development (Mula 2)	0.138	0.138			
D. Organizational Capacity Strengthening					
10 Water Resources Division Building Subproject					
11 Furniture and Furnishing for WR Building					
12 ICT and Security of WR Building					
13 Design and Supervision Consultants	0.700			0.700	
14 Individual Consultant (Procurement Sp)	0.050		0.050		
15 PMO Cost	1.151		1.151		
E. Interest During Construction	1.250		1.250		
Total Additional Financing (ADB)	48.000	7.291	13.962	5.667	21.080

Source: Asian Development Bank estimates.

TERMS OF REFERENCE—INDIVIDUAL CONSULTANT

A. Project Background

1. The Asian Development Bank (ADB) Board of Directors approved the ongoing project on 31 August 2018 for \$136.1 million. This comprised (i) a concessional loan of \$100.0 million from ADB's ordinary capital resources; (ii) a grant of \$3.0 million from the Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR); (iii) a grant of \$2.0 million from the High-Level Technology Fund (HLT Fund);¹ and (iv) \$31.1 million equivalent counterpart funds contributed by the Government of Balochistan. The ADB loan and grants were declared effective on 7 March 2019. The project was originally scheduled to complete on 30 June 2024, which was later on extended by 42 months with the revised closing date of 31 December 2027. The original closing date of the HLT Fund and JFPR grants was 31 March 2024 which had been revised to 30 June 2024. The grants accounts stand closed effective October 2024. The executing agency is the Irrigation Department of the Government of Balochistan (BID), and the implementing agency is the Agriculture and Cooperatives Department of the Government of Balochistan (BACD).

2. The ongoing project includes construction and rehabilitation of dams, weirs, irrigation systems, flood dispersal structures, and on-farm management systems. The ongoing project is facing cost overrun because of (i) an unprecedented increase in prices of the construction material since 2018 caused by exogenous factors beyond the control of the project that would have been difficult to predict during project preparation, (ii) changes in subproject designs,² and (iii) meeting additional needs of the community. The additional financing of \$48 million is required to (i) award the remaining command area development subprojects, the watershed management works, and the agriculture extension services contract, (ii) finance the future variations, and cost escalations of the ongoing contracts, and (iii) deficit in recurrent cost until the overall project completion.

Consulting Services for Detailed Engineering Design, Construction Supervision, and Implementation Support

B. Objectives of the Consulting Services

3. The main objective of consulting services for supporting the project management office (PMO) and the project implementation office (PIO) in carrying out procurement under additional financing, and in efficient management of the contracts.

C. Scope of Services

4. The overall duration of services is about 24 person-months of a national procurement and contract management specialist, spread over a period of 40 person-month, on an intermittent basis. The services include two aspects (i) support in procurement of works and direct hiring of Agriculture Extension directorate of the BID, and (ii) support the PMO and the PIO in efficient contract management of both irrigation and on-farm management components.

¹ Financing partner: the Government of Japan. Administered by Asian Development Bank.

² In case of Siri Toi dam, a hydraulic model study had to be conducted after award of the contract, and based on the findings of the study, certain design changes had to be made resulting in increase in subproject cost. Design changes were also necessitated to make the subproject climate resilient in the wake of 2022 floods.

D. Detailed Tasks

5. The specialist will support the project in two key areas:

(i) Procurement Support

- Support the PMO and PIO in preparation of bidding documents, invitations for bids (IFBs), and requests for quotations.
- Assist in bid opening, evaluation, and preparation of bid evaluation reports.
- Support in direct contracting arrangements for agricultural extension services.
- Coordinate and support procurement committee meetings including documentation and follow-up.
- Prepare minutes of bid openings, bid evaluations, and procurement-related meetings.
- Ensure adherence to ADB's Procurement Regulations and government procurement laws.

(ii) Contract Management Support

- Develop and maintain a contract management plan for all ongoing and new contracts under the additional financing.
- Monitor contractor performance, progress of works, and compliance with contract terms and conditions.
- Provide guidance to the PMO and PIOs on contract administration issues including variation orders, extensions, and claims.
- Support timely payments and monitor contract deliverables and milestones.
- Assist in dispute resolution and ensure timely closure of completed contracts.
- Maintain a contract tracking system for monitoring physical and financial progress.
- Conduct capacity building sessions for the PMO/PIO staff on procurement and contract management.

Reporting Requirements

E. Reports/Deliverables

6. The consultant will prepare and submit the following:

- (i) Draft and final bidding documents, and request for quotations.
- (ii) Quotations and bid evaluation reports.
- (iii) Draft and final contracts
- (iv) Contract management plans

F. Qualification and Experience

- (i) Bachelor's degree in engineering, construction management or related field
- (ii) 10 years' experience in procurement and/or contract management and familiar with FIDIC terms. Experience with ADB or World Bank projects using the international competitive bidding (ICB) and the national competitive bidding (NCB) procedures will be preferred.