



**GRACE  
ASSOCIATION  
PAKISTAN**

The grassroots association  
for community empowerment



# WATER SUPPLY PROJECT ASTANA-SKARDU FUNDED BY THE GOVERNMENT OF JAPAN FINAL REPORT /OCTOBER 2010



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**Editorial team:** Project Coordinator: Khadim Hussain | Editor: Brianne Vally (UN Online Volunteer) | Designer: Yvonne Nelson (UN Online Volunteer) | Images: Archive GRACE

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**Our Mission:** GRACE Association endeavours to empower and improve the quality of life of the marginalised and vulnerable communities of the country through welfare, participatory research and development, capacity building, promotion of best practices and partnership building, advocacy and by launching sustainable and replicable innovative projects.

## KEY FACTS

**Name of the organization:** Grace Association Pakistan

**Project:** Grace Water Supply - Astana Skardu 2009

**Funds provided:** US\$ 90, 262.00

**Grant contract date:** 4 November 2009

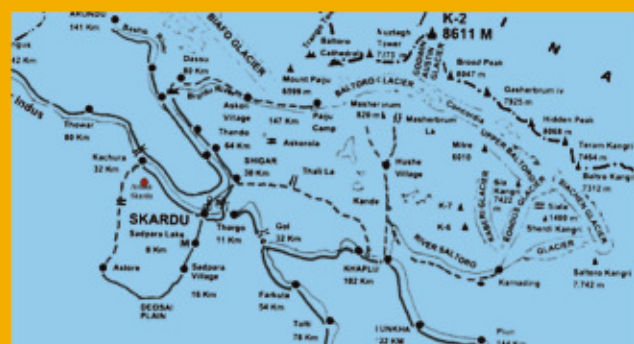
**Construction start date:** 14 November 2009

**End project date:** 31 July 2010

**Project's objectives:** To improve the quality of life of the displaced population particularly women and female children through:

- Providing safe drinking water to 100% families of the target area.
- Reducing the work load of women and raise their awareness for home based business activities.
- Organizing women water management committees for the sustainability of the project and enhance their participation in socioeconomic development activities.
- Increasing the girl children enrollment in schools through awareness raising of the communities.

## MAPS





# INTRODUCTION



## The right to drinking water and sanitation is a fundamental human right



Safe drinking-water has been recognized as a major determinant of health. The availability of sufficient safe water for drinking and other domestic purposes was the most crucial and burning issue in the village of Astana Skardu. Around 1275 families including 508 indigenous and 767 Internally Displaced Populations (IDPs) were suffering from the lack of clean water supplies. It had significantly harmful impacts on the health of women and children of the displaced populations living in the village.

Moreover, children were seeking water for up to 6 hours instead of attending school. It was one of the major reasons for poor enrolment of children, especially girls, in schools. Although the national government, along with various other development agencies, did not pay attention to this major issue, it became the priority of GRACE Association.

To address the lack of sufficient drinking water, GRACE Association has developed this project. Its main objective was to improve the quality of life for 12,750 people, including the 7,670 members of the displaced population particularly women and female children, through the construction of safe drinking water supplies to all households in the village of Astana Skardu, Gilgit-Baltistan.

The project has developed three main activities: Firstly, 4 Kilometres of 160mm diameter pipeline has been installed to provide the drinking water need for the entire population of the target village.

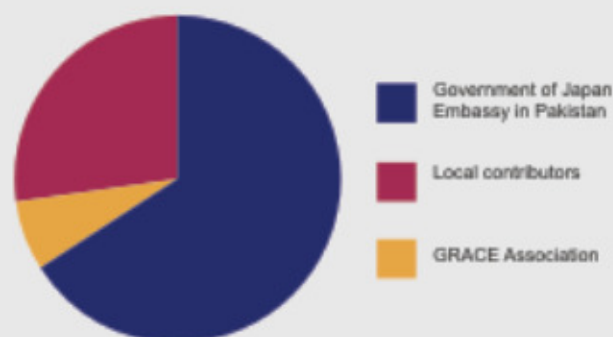
The pipeline is used to transport water from the main water tank located near Sadpara Lake in Skardu City. Activities to raise the awareness of communities, reduce the work load of women and increase the enrolment of girls in school have then been undertaken. The construction of a water storage tank and installation

installation of distribution lines in Brolmo Colony greatly facilitated the success of these activities.

Finally, considerable improvements of wastewater management systems have been made. Resilience has been introduced within affected communities through the creation of village water committees and women water committees.

Community capacity building was of significance considering the sustainability of the project. Moreover, the community participation in socioeconomic development activities has been enhanced through a community based-approach.

### Distribution of financial contributions



The overall cost of the project is US\$ 136,078.50. Although, it is a considerable amount of money, different stakeholders have been contributed according to their own resources. The Government of Japan Embassy in Pakistan contributed a financial grant of US\$ 90,262.00. Local beneficiary communities participated up to US\$ 36,455.00 in kinds and services (i.e. lands, free labor and local materials). Finally, GRACE Association contributed a sum of US\$ 9,362.00 in cash and in terms of voluntary services.

# TIMELINE

Date	Facts	Remarks
30/10/2009	Project Bank Accounts	Project Bank Accounts both in US\$ and PKR have been opened in MCB Bank Limited Aabpara Branch Islamabad.
4/11/2009	Project Contract Signing Ceremony	The Government of Japan Embassy in Pakistan organised the project contract signing ceremony. It took place at the Resident H.E Mr. Chihiro Atsumi, the Ambassador of Japan to Pakistan. The contract has been signed by the Ambassador and Wazir Shamshad Hussain, former Chief Executive Officer, GRACE Association Pakistan.
14-15/11/2009	Deployed project staff and project orientation session conducted	Term of Responsibilities have been developed and signed by the project staff. The project coordinator gave all the details concerning the orientation of the project.
15/11/2009	Conducted meeting with Astana Village Water Committee (VWC)	10 members of the VWC including village elders and notables have been briefed on the approved water supply project and its activities. The implementation and development of community involvement strategies have been developed. It has been decided to include both F.G Girls High School Kushmarah and Grace Public School Astana in the water supply project beneficiaries.
16/11/2009	Organized meeting with Village elders and community members of all four villages of Astana	The village elders and notables participated in the meeting along with many community members and they signed the Memorandum of Understanding (MoU) for project implementation.

Date	Facts	Remarks
19-22/11/2009	Organized meeting with Broimo Colony, Astana Bala, Astana Paeen and Gultary Colony male and female community members	<p>Separate meetings with male and female communities have been conducted.</p> <p>GRACE Association communicated key information on the project and the implementation strategy to the donor (Government of Japan).</p> <p>Five Village Water Committee members and 5-8 Women Water Committee Members have been selected by the communities from each village.</p> <p>The community elders and committee members have read and signed the Memorandum of Understanding (MoU). The MoUs has been developed in Urdu. It contains details of responsibilities of partners, items to be purchased through suppliers and activities to be done by GRACE and the Communities on their own.</p>
22/11/2009	Issued and received Letter of Acceptance of Quotations	Letter of acceptance of quotations has been issued to the approved Contractor on 22/11/2009. His reply has been received on 07/12/2009
10/12/2009	Procurement Contract Agreement signed with the Contractor.	Procurement documents have been developed and signed with Syed Akbar Shah & Sons (The Project Contractor; and on 12/12/2009, the Agreement/ Procurement documents sent to the Embassy of Japan.
26/01/2010	Received the first half pipes and fitting from the contractor	27/01/2010 The contractor supplied the items at project site, the project Engineer inspected for the quality and quantity as per agreement and approved the items supplied.
22/02/2010	Started digging of main pipeline	The communities started digging of main pipeline from village towards main water tank to complete the laying of main pipelines sooner before growing the fields by farmers. Some 400-600 community members worked on digging and they completed the work on 12/02/2010.
01/03/2010	Transportation of PE pipes at project site started	The 160 mm PE pipe has been transported by tractors.
02/03/2010	Joining of main water supply pipes by Butt fusion machine started	The supplier provided butt fusion machine and a skilled machine operator. The community members provided free labor.



Date	Facts	Remarks
09/03/2010	2nd installment to the Contractor Account transferred	The Contract requested two times for payment of 2nd installment
09/03/2010	Filling of laid pipe lines started	Community people refilled the soil in the dug pipe lines
14/03/2010	Digging of Brolmo Colony main line started	The Brolmo Colony IDPs/Migrants communities are responsible for their own main and distribution pipelines.
20/03/2010	Construction activities of Brolmo Colony Water Tank started	Collection of construction materials i.e. stone, cement etc.
27/03/2010	Laid foundation stone of the Water Tank	The foundation stone laid by one of the notable of the migrant communities Sheikh Ali.
4/07/2010	Laying of distribution pipelines in Brolmo Colony	Laying of distribution pipe lines, fittings and filling of soil.
7/04/2010	Construction of water tank Brolmo Colony	Stone keeping ceremony organized by the villagers on March 27/03/2010 and construction work including foundation, walls and plasters completed by May 30, 2010.
6/06/2010	Construction of water tank Brolmo Colony	RCC Roof constructed and the water tank completed
20/07/2010	Brolmo and inter village distribution line renovations	Brolmo Colony and inter village pipe renovation activities completed
31/07/2010	Mainline connection with Main Water Tank	During the connection of main pipeline 160 mm dia pipe with the main water tank some people from adjacent village of Astana raised a water rights issue and the connection delayed. They opposed giving rights of drinking water to the IDPs in Brolmo Colony. However it has been resolved by the village water committee through dialogue.
10/8/2010	Tariff Fee Collection System	Meeting has been conducted with male and female water committees exclusively and they unanimously have decided to start collecting tariff and appointment of water supply operators.
20-22/8/2010	Capacity Building Trainings	GRACE Conducted Capacity building training for Village Water Committees and Women Water Committees on management and operation of the water supply system, health and hygiene and role of women in the water supply scheme.



Water problems in the target villages before the project April 2009



Project appraisal by Government of Japan before project approval April 2009







Project Contract Signing Ceremony at  
Embassy of Japan in Pakistan  
Nov 4, 2009







Social Mobilization and Project MoU Signing  
with Astana communities  
November 2009



Social Mobilization and Project MoU Signing  
with Astana communities  
Dec 2009







Social mobilisation in Brolmo Colony  
Astana Nov - Dec 2009



Social mobilisation Astana Bala and  
Gultary Colony villages Nov-Dec 2009





# OUTCOME

The project was completed on 30th July 2010. The Astana Skardu village community participated more than expected. The following are the main outcomes of the project:

- 1.** Drinking water supplied to more than 1,300 households, including 767 displaced and 508 indigenous families.
- 2.** Leisure time for women as the most benefited target group of the project has been extended. Instead of spending vast hours of the day hauling drink water for their families, women have time to attend to other domestic and personal activities. While local women have time to attend vocational skills and training programs i.e. sewing, knitting and embroidery and cosmetics, to name but a few, displaced women have time to work in the indigenous families' field to earn money for themselves.
- 3.** Capacity building workshops have been conducted by GRACE Association to benefit women water committees. It contributed to the sustainable implementation of the project and enhanced the participation of women in socioeconomic development activities. GRACE Association conducted capacity building workshops for female water committees for sustainability of the project and to enhance their participation in socioeconomic development activities. Currently, women actively participate in women community meetings, they look after the water usages and control wastage of water and help the village water committee in the operation of water supply. More girls are attending schools due to the elimination of water hauling duties.
- 4.** Children from GRACE Public School have access to safe drinking water. Communities gave a special water connection to this school.

# MANAGEMENT

The project has been successfully managed by the GRACE Association Project Committee including Chief Executive Officer, Project Coordinator, Project Engineer, Admin and Finance Assistant and two Social Mobilizers.

Term of Responsibilities have been developed and signed by the project management staff as well as Memorandum of Understanding was signed with the village community elders and water committee members.

Community Volunteers have also been effectively involved in social mobilization phase which was highly effective productive.

GRACE Islamabad office and Program Office Skardu have supervised the whole project implementation period.

The project activities were implemented as per work plan designed in early consultation with the communities.

The village water committee comprising the village elders and notables as well as women water committee members has been very supportive to resolve all internal community issues and local resource mobilization for the project. They took full responsibility of arranging free unskilled labor for digging, installing pipe, filling of the pipelines and constructing Broimo colony water tank and distributing pipelines. To resume, they completed all sorts of useful tasks.







Community Meeting for initiation of the project works Nov 2009



Digging of pipelines from Main Water Tank to Astana Feb 2010







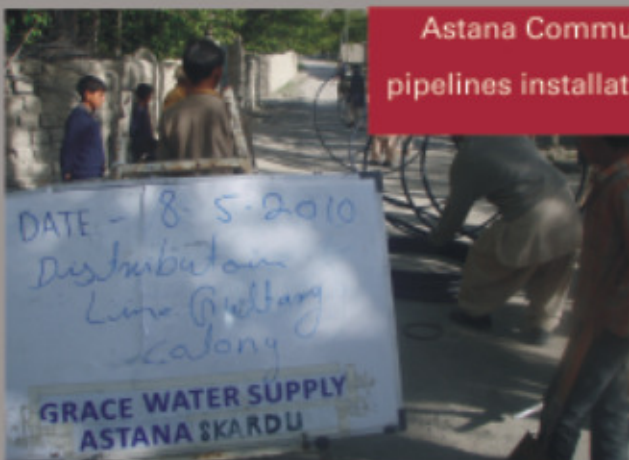
Astana Community working on pipelines installation Feb -March 2010



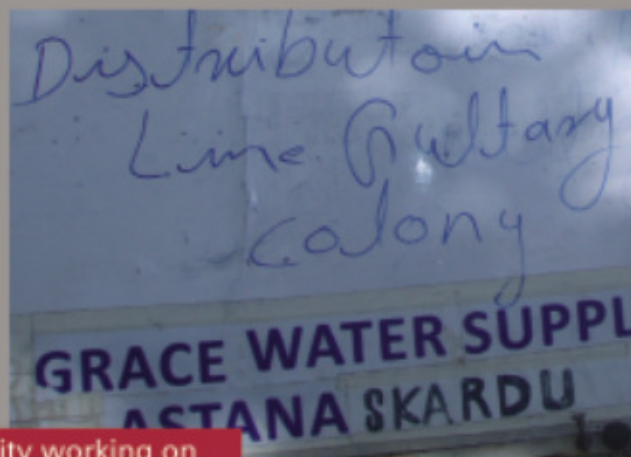
Astana Community working on pipelines installation March 2010



Astana Community working on pipelines installation April-May 2010







Astana Community working on pipelines installation May-June 2010



Construction of Water Tank Brolmo Colony Astana April- June 2010







Now Safe Drinking Water Available  
Astana Bala July 2010



Now Safe Drinking Water Available  
Brolmo Colony July 2010



Now Safe Drinking Water Available  
Gultari Colony July 2010



Now Safe Drinking Water Available  
Astana Paen July 2010







Capacity building of Water Committees Astana July 2010







**RECEIPT AND PAYMENT ACCOUNT OF  
WATER SUPPLY PROJECT,  
ASTANA VILLAGE, SKARDU  
A PROJECT OF GRACE ASSOCIATION,  
PAKISTAN FUNDED BY GOVERNMENT  
OF JAPAN  
FOR THE PERIOD FROM  
OCTOBER 01, 2009 TO JULY 31, 2010.**

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

# FINANCE & AUDIT REPORTS



Tel: +92 51 287 6670  
Fax: +92 51 227 7995  
www.bdo.com.pk

3rd Floor,  
22 Saeed Plaza,  
Blue Area,  
Islamabad-44000,  
Pakistan.

## AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the annexed receipt and payment account of a project of Grace Association Pakistan, "Water Supply Project Astana Village Skardu", funded by the Government of Japan, for the period from October 01, 2009 to July 31, 2010 together with the notes forming part thereof (here-in-after referred to as the statement) for the referred period.

It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the statement in conformity with the cash receipt and payment basis as described in Note. 3.1 to the statement. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 3.1, the statement has been prepared on the cash receipt and payment basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion the statement presents fairly, in all material respects, the receipt and payment account of a project of Grace Association Pakistan, "Water Supply Project Astana Village Skardu", funded by the Government of Japan, for the period from October 01, 2009 to July 31, 2010 in accordance with the approved accounting standards as applicable in Pakistan on the basis of accounting described in Note 3.1 to the statement.

ISLAMABAD

DATED: Jan 10, 2011

  
CHARTERED ACCOUNTANTS  
Engagement Partner: Abdul Qadeer



# FINANCIAL & AUDIT REPORTS

WATER SUPPLY PROJECT, ASTANA VILLAGE, SKARDU  
A PROJECT OF GRACE ASSOCIATION, PAKISTAN FUNDED BY  
GOVERNMENT OF JAPAN  
RECEIPT AND PAYMENT ACCOUNT  
FOR THE PERIOD FROM OCTOBER 1, 2009 TO JULY 31, 2010

	<b>For the period from October 01, 2009 to July 31, 2010 Rupees</b>
<b>Receipts</b>	
Grant - Government of Japan	7,404,840
Members contribution	178,000
Other receipt	266
	<u>7,583,106</u>
<b>Payments</b>	
Salaries	285,000
Pipes water supply project	4,905,300
Fittings water supply project	1,053,785
Transportation	265,000
Water tank	639,300
Rent	80,000
Stationery	33,380
Bank charges	3,948
Transferred to GRACE Association, Pakistan	212,123
	<u>7,477,836</u>
<b>Surplus for the period</b>	<u>105,270</u>
<b>Represented by:</b>	
Cash in hand	620
Cash at banks	104,650
	<u>105,270</u>

The annexed notes from 1 to 5 form an integral part of this statement.

  
CHIEF EXECUTIVE

  
PROJECT ACCOUNTANT

**WATER SUPPLY PROJECT, ASTANA VILLAGE, SKARDU  
A PROJECT OF GRACE ASSOCIATION, PAKISTAN FUNDED BY  
GOVERNMENT OF JAPAN  
RECEIPT AND PAYMENT ACCOUNT  
FOR THE PERIOD FROM OCTOBER 1, 2009 TO JULY 31, 2010**

**1 LEGAL STATUS**

- 1.1 Grace Association, Pakistan was registered in the year 2007 as an independent Non Profit Organization (NPO) under the Securities and Exchange Commission of Pakistan, Islamabad under section 42 of the Companies Ordinance, 1984. The registered office of Grace Association is situated in 27-E 3rd Floor office #5 Fazal-e-Haq road, Blue Area, Islamabad.
- 1.2 This is a project of Grace Association, Pakistan funded by Government of Japan through its embassy, to provide clean drinking water supply to displaced people in Village Astana Skardu in northern areas. The amount obligated under this Grant is US Dollars 90,262, to be expended according to project plan and budget prepared by the Grace Association, Pakistan. Moreover, the Association has also contributed in this project via project coordination and other administrative work. The period of project is 10 months starting from October 01, 2009 to July 31, 2010.
- 1.3 The Community has been involved in all stages of project identification, designing and would also institutionalize the system to manage the project after its completion. The community had also provided voluntary un skilled labor comprising of 50 to 75 workmen for the construction of the facility, the cost of which is estimated to Rs. 2.196 million, which is not accounted for in this Statement.

**2 PROGRAM OBJECTIVE**

The overall objective of the project is to improve the quality of life of the displaced population particularly women and female children. The overall objective will be achieved by accomplishing the following objectives:

- To provide clean drinking water to 100% families of the target area.
- To reduce the work load of women and raise their awareness for the home based business activities.
- To organize women water management committees for the sustainability of the project and enhance their participation in socioeconomic development activities.
- To increase the girl children enrolment in schools through awareness raising of the communities.





### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Basis of preparation**

This statement has been prepared on the cash receipt and payment basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

#### **3.2 Revenue recognition**

Grant is recognized as income on receipts basis.

#### **3.3 Expenditures**

Project expenditure are recorded as and when incurred.

#### **3.4 Functional and presentational currency**

These financial statements are presented in Pak Rupees, which is the Organization's functional and presentation currency.

#### **3.5 Cash and bank balances**

Cash in hand and at bank are carried at nominal amount.

### **4 TRANSFERRED TO GRACE ASSOCIATION, PAKISTAN**

This represents excess of receipt over expenditure due to conversion of USD into Pak Rupees and transferred to the Association bank account as approved by Board of Directors of Grace Association, Pakistan dated November 20, 2009.

### **5 GENERAL**

5.1 Figures been rounded off to the nearest Rupee.

5.2 This receipt and payment account is presented for the period from October 01, 2009 to July 31, 2010, as the duration of the project is of ten months.

  
**CHIEF EXECUTIVE**

  
**PROJECT ACCOUNTANT**



Women and children happy having water now at door steps: July 2010



Women and children happy having water now at door steps: July 2010





# SUSTAINABILITY

The project has been handed over to the communities.

From the initiation of the project the Village Water Committees and Women Water Committees have been constituted in each village.

A tariff Rs.20/- per household has been fixed to meet the operational expenses. It is currently operational in Brolmo colony.

GRACE conducted capacity building meetings/training workshops on project water supply, project management and operations. The committees' members have already started managing and operating the project by themselves in their respective villages.

Women are also involved in project sustainability. They are looking after the water waste by collecting fines on water-wasting families. However, the village elders raised the issue of the collection of money by women. Regarding local cultural sensitivities, GRACE Association agreed on the fact that male committee members will be collecting tariff by visiting home to home.

The Astana Community led by GRACE Skardu Office Staff aims at involving governmental institutions within the project. Links with the government line department i.e. Public Work Department (PWD) have been developed and Astana Community requested a water supply operator. This attempt was of great success as the Government has attributed a water supply operator for the main water tank. The Government Water Supply Operator has already started tasks he is in charge of.

The Astana village communities are developing their linkages with public representatives for handing over the water supply scheme to government line department for maintenance and sustainability. This dialogue is still on going and the VWC members are optimistic for their success in near future.

# CHALLENGES

Although the project management team did not face any challenges during the implementation of the project, on completion of the project on June 2010, some conflicts with adjacent villages have been raised. In fact, the project raised the issue of the right to access to water.

Local politics have also contributed to the emergence of this problem. Although, this could have been the example of harmful impact this project could have had on communities, the Village Water Committee of Astana introduced dialogue with the conflicting people. The issue was solved by 1st August 2010.



The quality of drinkingwater is a powerful environmental determinant of health. Assurance of drinking-water safety is a foundation for the prevention and control of waterborne diseases





# GRACE ASSOCIATION PAKISTAN

The grassroots association  
for community empowerment

Main Office Islamabad

27-E, 3rd Floor Office No. 5 Ali Plaza

Fazal Haq Road Blue Area

Islamabad, Pakistan

Tel +92.51.2529683

+92. 51.2829970

Fax +92.51.2829971

Email [grace@grace.org.pk](mailto:grace@grace.org.pk)

Web [www.grace.org.pk](http://www.grace.org.pk)

Programme Office Skardu

Main Airport Road Astana

District Skardu

Gilgit-Baltistan, Pakistan

Tel +92.5815.455067

Fax +92.5815.450808

Email [grace@grace.org.pk](mailto:grace@grace.org.pk)



## Get involved!

### Make a donation

GRACE relies on the generosity of individuals and private foundations for helping bring the lifelong gift of literacy to children and provide safe drinking water to prevent and control waterborne diseases. If you would like to support our efforts, make a contribution today.

### Volunteer

Volunteering is a great way to be a part of GRACE's work. We rely on the valuable support of volunteers who help us change the lives of communities living in poverty in Northern Pakistan.

## Take action!