

EvSum419

PAKISTAN: BALUCHISTAN FLUORITE DEVELOPMENT PROJECT

[The Project](#) - [The Evaluation](#) - [Overall Conclusion](#) - [The Main Findings](#) - [Lessons - Further Information](#)

The Project

Between 1979 and 1986 ODA financed a series of consultancies designed to help the Baluchistan Development Authority (BDA) in the exploration for and exploitation of fluorite in Kalat district, Baluchistan. The total cost of the ODA assistance is estimated at £0.5m.

The Evaluation

The project was selected as one of a series of evaluations of geological and mineral exploration projects funded by ODA. The evaluation was carried out by two members of ODA Evaluation Department and an independent consultant geologist. The purpose of the evaluation was to examine the design, appraisal and implementation of the project and to assess its impact. Discussions were held with those involved with the project in London and in Pakistan.

Overall Conclusion

Unsatisfactory. The results achieved were unsatisfactory in relation to the costs.

The Main Findings

- The project was appropriately identified. The mineral potential of the region was thought to be good, the sector was a high priority for the provincial government, and a stable market for the fluorite was identified in the Pakistan Steel Mills in Karachi.
- Initially it was proposed to provide an expatriate geologist for one year to assist in the exploration for fluorite. However, this proposal was changed to one for a series of consultancies involving both geological and mining support. This change in design was a major error. It made the project much more expensive, and introduced too great an emphasis on mining which was misplaced given the lack of knowledge about the economic potential of the fluorite in the project area.
- ODA management of the project was deficient in some respects. The British Geological Survey, ODA's advisers on geological projects, were insufficiently consulted after the early stages of the project, and the ODA Economic Service was insufficiently consulted until the final phase. Weak management allowed a much

larger input by ODA than was warranted given the economic potential of the fluorite in the project area.

- The BDA proved not to be able to provide support services to the consultants' team to the level expected at the outset of the project.
- The main positive outcome from the project was in determining that the economic potential of the fluorite reserves in Kalat was not such as to permit a viable commercial mining operation. However, this outcome was obtained only at substantially greater cost and over a lengthier period than should have been necessary.
- The BDA purchased considerable amounts of equipment during the project partly on the basis of unwarranted optimism expressed on the likely economic potential of the fluorite reserves. These purchases were made with the assistance of a bank loan. The conclusion of the project, that the mining operation is not economically viable, has left the BDA in a very difficult position. They are, however, developing an appropriate plan of action to tackle this, involving sale of equipment purchased and turning the operation of the BDA mining leases over to private contractors, with BDA acting as buying agent to transfer the ore produced to Pakistan Steel.
- There have been limited but useful benefits from the training provided under the project.
- The evaluators discovered no major environmental drawbacks to the project. So far as it has been possible to ascertain, the project appears to have affected women only indirectly.

Lessons

- ODA needs to manage projects carried out by consultants carefully in order to ensure that work is carried out to a high standard.
- ODA should make full use of the British Geological Survey as advisers for geological exploration projects.
- ODA economists should be consulted to ensure that economic aspects of all geological and mineral exploration projects are properly considered.

Further Information

The results of the evaluation will be included in a synthesis study to be prepared by ODA Evaluation Department on a series of geological exploration projects.