



1. Project Data:		Date Posted : 07/31/2001	
PROJ ID: P001563		Appraisal	Actual
Project Name: Ag.extension Project	Project Costs (US\$M)	36.6	26.6
Country: Madagascar	Loan/Credit (US\$M)	25.2	22.2
Sector(s): Board: RDV - Agricultural extension and research (100%)	Cofinancing (US\$M)	0	0
L/C Number: C2729			
	Board Approval (FY)		95
Partners involved : None	Closing Date	12/31/2000	12/21/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives
The project was to support the first phase of a long -term (15 to 20 year) program. The objectives were: "To increase agricultural productivity and farmer's incomes in an environmentally sustainable manner and to rationalize the use of public resources in support of agricultural services ." The program was seen as central to the government's strategy to: (a) reduce poverty; (b) improve agricultural productivity; (c) optimize the use of available resources; and, (d) protect the environment. The project built on the experience of a previous pilot project . While the objectives did not change after the the midterm review in 1998, the activities of the project were concentrated more in areas of high agricultural potential in order to make better use of the less than anticipated number of extension staff .

b. Components
(a) Strengthening the delivery of the agricultural extension services and providing support for farmers organizations (US\$30.5 million); (b) Improving the technical and management capacity of all stakeholders through training (US\$3.3 million); (c) support for financial management, accounting and auditing, monitoring and evaluation and regular supervision (these last two being treated as separate components in the ICR) (US\$2.9 million). Amendments to the credit agreement approving a seed production and applied research component were made in 1996 and 1998 respectively, and, in 1998, a locust control component was added and approved by the Board .

c. Comments on Project Cost, Financing and Dates
The project closed on schedule but total project costs were US\$ 10 million less than planned . Government counterpart funds were appraised at \$ 11.4 million but by the end of the project had only reached \$ 4.5 million. Allocations to the different project components changed over time partly to accommodate the new components .

3. Achievement of Relevant Objectives:
With respect to the objective to increase agricultural productivity, while there were localized areas of very positive impact, the project did not have the widespread productivity increases that were envisaged . However, a beneficiary assessment in 1998 showed a significant reduction in the food shortage period for the beneficiaries and an external impact evaluation found significant yield increases in some localities . With respect to the objective to raise farmer's incomes, increases in revenues were quite limited due to market distortions, inadequate road network, and absence of links to markets resulting in much of the extra revenue being absorbed in production costs .

4. Significant Outcomes/Impacts:
While suffering from a number of the problems associated with the introduction of T&V in Africa including financial sustainability issues, the ICR notes that this project is considered one of the more successful . The Village Level Participatory Approach (VLPA) was introduced as a tool to diagnose farmer needs and was used in at least 150 communities. On average 43% of farmers contacted by the extension service did adopt one or more technologies . There were some impressive, but localized, results in support for farmer organizations, including the formation of 158 women's organizations. The government prepared a National Agricultural Extension Strategy in 1999 based on the experiences accumulated through the project . A public service for supervising and certifying seed production was successfully established .

5. Significant Shortcomings (including non-compliance with safeguard policies):
Other donors did not fund the project because they were not convinced about the design and management of the

proposed program. There were problems with counterpart funding raising serious questions about financial sustainability. The ICR found a violation of the Bank safeguard policy on pesticides. There was a problem of lack of skills and motivation of extension staff - not helped by delays in salary payments - and there was an extension service management weakness in not following up on poor staff performance. There was a lack of coordination between government departments on the ground. Links between research and extension improved over time, however there was often a lack of economic analysis of technologies and a failure to consider market access - contributing to the weak income increases associated with the increased productivity.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Moderately Satisfactory	While the ICR chooses the satisfactory rating, it qualifies this as "marginally" in the text. This Evaluation Summary is in agreement with that. The project achieved a number of its relevant objectives but there were significant shortcomings. There are questions about the level of efficiency given that productivity did not translate satisfactorily into farm income increases.
Institutional Dev.:	Modest	Modest	
Sustainability:	Unlikely	Highly Unlikely	Sustainability appears highly unlikely due to the lack of government ability to finance an extension service at the scale designed. Ninety-five percent of the operating costs were covered by the project and there is no follow-on project. The lack of complementary infrastructure and marketing, and the lack of viable institutional alternatives for extension at this time are further reasons for the rating.
Bank Performance:	Satisfactory	Unsatisfactory	Supervision is rated by the ICR as satisfactory but lending is rated unsatisfactory - on balance the ICR comes out at a satisfactory rating. OED comes out, on balance, at an unsatisfactory rating because, even for supervision, there must be questions about whether the Bank should not have gone for a more radical restructuring given the financial sustainability questions and concerns about the capacity of available extension staff. In addition, the safeguard violation was the responsibility of supervision and carries considerable weight in the rating. More broadly, the borrower found it very difficult to deal with the Bank's shifting commitment to T&V and public extension.
Borrower Perf.:	Unsatisfactory	Unsatisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

We agree with the lessons of the ICR including: (1) an extension delivery system should be demand driven, responsive to farmer's needs, results oriented, accountable to the beneficiaries, and there should be accountability of extension staff to their management. (2) input supply and marketing is an essential element to be considered in extension program design. (3) a clear pest management strategy and plan should be part of project design to guide pest management activities and ensure compliance with Bank safeguard policies. We would add: (4) the importance of careful and realistic projections of public expenditure capacity to ensure financial sustainability.

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

Fully satisfactory. Open about the weaknesses. Limited detail provided about the nature of the pesticide safeguard violation. It should have been possible to do more on the economic analysis .