

1. Project Data:		Date Posted : 12/01/2011	
PROJ ID : P044695		Appraisal	Actual
Project Name : National Agricultural Advisory Services Project	Project Costs (US\$M):	107.91	162.66
Country: Uganda	Loan/Credit (US\$M):	45.00	53.5
Sector Board : ARD	Cofinancing (US\$M):	40.84	53.5
Sector(s): Agricultural extension and research (70%) Central government administration (23%) Agricultural marketing and trade (7%)			
Theme(s): Rural markets (29% - P) Other rural development (29% - P) Technology diffusion (14% - S) Infrastructure services for private sector development (14% - S) Gender (14% - S)			
L/C Number: C3463			
	Board Approval Date :		02/15/2001
Partners involved : IFAD, Unidentified Bilateral agencies	Closing Date :	06/30/2008	12/31/2009
Evaluator :	Panel Reviewer :	Group Manager :	Group:
Hassan Wally	Robert Mark Lacey	IEG ICR Review 1	IEGPS1

2. Project Objectives and Components:

a. Objectives:

According to the Project Appraisal Document (PAD) the project's development objective (PDO) was to "assist poor men and women farmers to become aware of, and to be able to adopt, improved technology and management practices in their farming enterprises so as to enhance their productive efficiency, their economic welfare, and the sustainability of their farming operations (PAD, p. 2)." The wording of the PDO in the Development Credit Agreement is virtually identical.

According to the ICR (p. 2), the project was restructured and the restructuring included changes in the component structure and intermediate indicators but not in the PDO.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

If yes, did the Board approve the revised objectives /key associated outcome targets?

Yes

Date of Board Approval: 06/30/2008

c. Components (or Key Conditions in the case of DPLs, as appropriate):

Component 1. Advisory and Information Services to Farmers (Appraisal Cost US\$ 68.79 million, Actual Cost US\$11.78 million). To support initiatives by men and women farmers, working in groups with their sub-county governments, to contract agricultural advisory services. Matching grants were to be channeled from the national level of government through the districts for farmers to use in financing such contracts. Services to be contracted included orientation and group mobilization, participatory planning, farm advisory services, information and communication; and training events.

Component 2. Technology Development and Linkages with Markets (Appraisal Cost US\$ 6.33 million, Actual Cost US\$3.46 million). To foster linkages among farmers, advisers, and researchers and between farmers and markets by providing men and women farmers access to funds to contract researchers to work with them in their fields on technology and market development and adaptation. For Technology Development, the following areas would be supported: on-farm technology development, market linkage development and district national priority projects.

Component 3. Quality Assurance - Regulation and Technical Auditing of Service Providers, (Appraisal Cost US\$1.33 million, Actual Cost US\$ 0.49 million). To support the National Agricultural Advisory Services (NAADS) board and secretariat, in conjunction with Ministry of Agriculture and Animal Industries and Fisheries (MAAIF) to set standards and provide a regulatory framework for service providers. This would be achieved through setting and enforcing standards for qualification and performance, and developing a model contract.

Component 4. Private Sector Institutional Development (Appraisal Cost US\$ 4.38 million, Actual Cost US\$ 0.11 million). To establish a program to assist firms and other institutions to become eligible to be contracted to provide services under the NAADS program. Specific activities to be funded included: local service provider development, national representative organizations/institutions support; and retraining/retraining of public extension staff.

Component 5. Program Management and Monitoring (Appraisal Cost US\$ 16.46 million, Actual Cost US\$ 5.99 million). To establish and support institutional entities at both the national and district levels of government which would administer and coordinate the program. At the national level, this would include establishment and maintenance of the NAADS board and secretariat. At the local government levels, the project would help support district and sub-county NAADS coordinators to facilitate bottom-up planning process of the program, liaise with other stakeholders to provide consultation and dialogue. In addition, a Management Information System (MIS) would be established for monitoring the program, conducting baseline survey and gathering data for impact evaluation,

Revised components (after restructuring)

Component 1. Farmer Institutional Development (Appraisal Cost US\$ 0.00 million, Actual Cost US\$ 16.89 million). To provide training and capacity building services for: (a) program orientation and group mobilization of farmers; (b) participatory planning between farmers and service providers, including: term of references and annual work programs for future activities and on going field activities of farm advisors; and (c) training for farmers, farm advisors and district and sub-county officials.

Component 2. Advisory and Information Services to Farmers (Appraisal Cost US\$ 0.00 million, Actual Cost US\$90.28 million). To provide technical advisory information for farm advisory services, information and communication services to Farmer Groups (FGs) and on-farm adaptation and testing of agricultural technologies.

Component 3. Agribusiness Development and Market Linkages (Appraisal Cost US\$ 0.00 million, Actual Cost US\$11.57 million). To support implementing technical support programs for facilitating partnerships between market actors and farmers, market research and information; and developing linkages between farmers and input/output markets.

Component 4. Local Service Provider Institutional Capacity Development (Appraisal Cost US\$ 0.00 million, Actual Cost US\$0.41 million). To provide technical advisory services to aid individuals and institutions to provide agricultural advisory and farmer institutional development under NAADS program, including training of public sector extension workers to acquire skills for work in the private sector.

Component 5. Planning, Monitoring /Quality Assurance and Evaluation (Appraisal Cost US\$ 0.00 million, Actual Cost US\$ 12.69 million). To provide technical advisory services and support to assist NAADS secretariat to develop and adopt minimum standards for regulating service providers, develop model contracts of services to be entered into with FGs; conduct technical audits of service providers' activities; monitor the NAADS program; and conduct baseline surveys and data gathering procedures for impact evaluation.

Component 6. Project Management and Coordination (Appraisal Cost US\$ 0.00 million, Actual Cost US\$ 8.99 million). To provide goods, equipment, technical advisory services and training for the operation of NAADS secretariat at the national, district and sub-county levels. Such support would enable NAADS secretariat and coordinators to conduct their activities of facilitation, coordination, financial management and auditing, oversight of service contracts, and setting up the MIS.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

The total cost of the project was US\$ 162.66 million compared to an appraisal estimate of US\$ 107.91 million. The Borrower provided US\$51.9 million of counterpart funds compared to an appraisal estimate of US\$ 9.12. The project also received US\$ 19.9 million and US\$33.6 million from IFAD and bilateral agencies (unidentified in the ICR), respectively. Additional financing of US\$ 13 million became available due to depreciation of the US dollar against the SDR.

The project was restructured on June 30, 2008 following the September, 2007 suspension of all NAADS activities by the President of Uganda. The restructuring accommodated many of the Government of Uganda's (GoU) desired changes, while attempting to remain within the agreed core principles of NAADS and related legal commitments (ICR, p. 8). The restructuring realigned project activities without altering the PDO (ICR, p. 2). At the restructuring US\$21.83 million of the Credit was disbursed, representing 40.8% of the total disbursements of US\$53.5 million at Credit closure. At restructuring, the closing date was extended by eighteen months to accommodate initial slow disbursements.

3. Relevance of Objectives & Design:

Relevance of Objectives . (substantial) . At appraisal the objectives were consistent with the FY 01-03 CAS which called for poverty reduction through rapid economic growth . The CAS identified several priority areas to achieve this objective including: revitalization of rural development; improvement in the delivery of public services; and improvement in governance . The objectives were also consistent with Uganda's Plan for Modernization of Agriculture (PMA) which called, among other things, for the modernization of the extension system to ensure that extension efforts were directly responsive to farmers' needs (PAD, p. 4). The objectives remain in line with the FY 11-14 CAS which recognizes the need to support the Government's efforts to strengthen the demand driven extension approach, foster adoption of better technology and raise real farmer incomes . According to the ICR (p. 12) the objectives were relevant to the Government's National Development Plan (NDP) and MAAIF's new Development Strategy and Investment Plan (DSIP) where the latter seeks to facilitate a shift from subsistence farming into commercial agriculture.

Relevance of Design . (modest) . The design represented the first deliberate application in the Africa Region to provide a different kind of extension programs from the Training and Visitation (T&V) approach. The design featured the creation of a pluralistic advisory service with public funding and both public and private delivery, as well as the empowerment of farmers to be able to articulate their own needs - all of which were relevant to achievement of the objectives. The design principles were consistent with approaches in several successful extension programs around the world and especially in Latin America (ICR, p. 4). However, the design suffered from a number of shortcomings that hindered the achievement of the objectives :

- Design featured the creation of NAADS as a parastatal entity without addressing the need for a mechanism to coordinate with MAAIF-which housed Uganda's technical expertise on extension . According to the ICR (p. 5) regular discussions were carried out between the NAADS secretariat and the Ministry of Finance while MAAIF was less involved.
- Design underestimated the time needed for the conversion of the existing extension service which involved the retrenchment of several thousand public extension workers . This, in turn, created constraints on the supply side of private service provision, since the retrenched extension workers were expected to provide the bulk of privately supplied services.
- Design relied on private service provision even though the private sector had limited involvement in agricultural service delivery. According to the ICR (p. 5) the design attempted to overcome this through a "modest" capacity building program aimed to increase capacity and number of private service providers .
- Design lacked a mechanism to coordinate with the parallel Agricultural Research and Training project (ARTP II) to improve linkages between research and extension activities and better disseminate new varieties and technologies.

- NAADS was designed as a program supported by a consortium of partners . This approach meant that not all of the normal supervision processes of Bank projects were followed . Instead, a joint supervision strategy was implemented where all contributors had approximately equal weight in evaluating implementation performance . According to the ICR (p. 5) such arrangements resulted in diminution of attention to deficiencies in implementation as evidenced for example by the weakness in monitoring and evaluation (M&E).
 - Design focused on providing farmers with advisory services based on a demand driven approach without providing enough training to farmers on priority setting . According to a recent International Food Policy Research Institute (IFPRI) publication*, this undermined one of the key expected advantages of the demand driven nature of the program.
- *G. Feder, J. Anderson, R. Birner and K. Deininger, 2010. *Promises and Realities of Community - Based Agricultural Extension*.

4. Achievement of Objectives (Efficacy):

The efficacy of the project in achieving the PDO - to assist poor male and female farmers (in participating districts) to become aware of, and to be able to adopt, improved technology and management practices in their farming enterprises, to enhance their productive efficiency, their economic welfare, and the sustainability of their farming operations - is assessed by breaking down the objectives into four sub-objectives:

A. Awareness and adoption of improved technology and management practices (modest):

- Relative to non-participating households, NAADS beneficiaries were, according to the ICR (p. 13) 17.8% more likely to have access to information on how better to utilize crop production equipment, and 13% more likely to have access to information on crop production practices . However, there was no evidence that program beneficiaries had better access to price information .
- In 2004, 52.5% of NAADS beneficiaries adopted improved seeds and technologies compared to 23% for non-NAADS farmers.
- However, by 2007, these figures were 68% for NAADS and 53% for non-NAADS farmers, implying a much more rapid rate of growth in adopting improved technologies among the latter group .
- Little or no information is available on awareness and adoption of improved practices during the period after 2007 when 60% of project disbursements took place .
- Although the ICR states that NAADS made substantial investments in the capacity of farmers to articulate their needs, “the constraints on the supply side of service provision became limiting ” (p. 5). This was because the program “suffered from lack of clarity on what kind of training was required and who should provide it ” (ICR, p. 6). The assumptions that former public extension agents would be equipped with sufficient technical knowledge and that private-sector experts would respond to opportunities presented by the project turned out to be over-optimistic. The result was “a shortage of trained extension workers with relevant skills to meet farmers ’ demands” (ICR, p. 6).

B. Enhancing productive efficiency (modest):

- The ICR reports that between 2004 and 2007, NAADS beneficiaries experienced a 42% increase in real crop revenues per capita compared to non-NAADS farmers in NAADS sub-counties, and 31% increase relative to farmers in non-NAADS sub-counties.
- However, during the same period, there was a decline of between 27% and 45% in the value of gross livestock output of NAADS beneficiaries compared to the control groups . This raises concerns, since animal husbandry is an important dimension of rural livelihood in Uganda . The project team explained this result in terms of the small sample size used.
- Little data are available on the project’s impact on productive efficiency and enhancing farmer’s economic welfare (the subsequent objective) after 2007, when 60% of disbursements took place .

C. Increasing the economic welfare of poor farmers (modest):

- According to the ICR (p. 14), “NAADS membership had a significant impact on crop revenues of female-headed households, smallholders (those households who own less than one hectare of land and households that were poor (i.e. lived in a house with a primitive roof). NAADS farmers as a whole benefited from an increase of 27% up to 2007 in “real wealth per capita” compared to the non-NAADS control group in NAADS sub-counties, and of 71% compared to control group farmers in non-NAADS sub-counties.
- While there is evidence that the income of vulnerable farmers increased between 2004 and 2007, and that wealth for a smaller group of poor farmers was enhanced, there was also significant leakage and elite capture . The ICR reports that the 2004-2007 wealth impact cited above was statistically significant only for those farmers whose dwellings had a “primitive roof”. The beneficiary survey (ICR, p. 52) indicated that the program had scored its highest success rate in terms of raising income of the poorest group surveyed; however, the second best success rate was scored for the richest group, ahead of the middle asset class . The ICR states (p. 52) that “the fact that the richest beneficiaries benefited more than those in the middle asset class underlies the importance of households’ capacity to acquire the improved technologies and advisory services being promoted

by the NAADS program.

- The ICR cites evidence of “elite capture” after the President of Uganda’s suspension of the program in 2007 (pages 9, 11 and 41). The 2010 IFPRI publication quoted above reported that NAADS was subject to elite capture even before 2007, and that poorer farmers were less likely to benefit from NAADS technologies . It mentioned, for example, one early (2004) study which concluded that the mobilization of groups through local government leaders “appealed to the progressive, wealthier elite while the poorer sections of the population...were perceived to be excluded . Another study* found that by 2006, “the program had introduced a number of short term approaches that systematically rewarded wealthier and more connected farmers ”
- The availability and access to physical infrastructure were generally better in NAADS sub -counties compared to non-NAADS sub-counties which not only enhanced the impact of the NAADS programs in the former areas, but also suggests that they may have been wealthier .

* S. Parkinson, 2008, *Learning participation in rural development : A study of Uganda’s National Agricultural Advisory Services*. Guelph, Ontario: University of Guelph,

D. Improved sustainability of farming operations (negligible):

- Only limited information is available in the ICR on the achievement of this sub -objective, and much of what there is raises concerns that sustainability of farm operations may be worsening rather than improving :
 - o Poor reporting on environmental safeguard compliance leading to a downgrading in 2008 (ICR, pages 9-10).
 - o Limited availability of technical support from private sector providers (ICR, page 27).
 - o The statement in the Beneficiary Survey (ICR, p. 50) that “participation in the NAADS program seems to have lowered the probability to demand soil fertility and agro -forestry practices, suggesting low capacity of farmers to demand these technologies and/or weakness of NAADS to provide them .”
 - o The statement in the Borrower’s Comments to the effect that the “low investment that NAADS may be putting in soil fertility management practices...raises concern on the sustainability of NAADS’ strategy since it leads to soil fertility mining and could lead to lower productivity in the long run .”
 - o The project team subsequently explained to IEG that the focus of the project was geared mainly to increasing productivity and income.
- A number of sources (MAAIF Task Force Reports, March and April 2010; ITAD, March 2008; IFPRI, March 2010; and the DFID-funded Accountability Working Group paper, January -February 2010) provide qualitative evidence of instances of misuse and waste of resources, misdirected inputs, depressed farmer morale, and the weakening of FGs and farmer fora since the suspension and re -starting of the project in 2007.

5. Efficiency (not applicable to DPLs):

The PAD (p. 42) estimated that, based on certain assumptions related to annual increases in farm income attributable to the program, NAADS would result in a 19% ERR and a NPV of US\$10.21 million. The result was sensitive to variations in the crop area adopted for improved practices . The ICR stated that the requisite information for repeating the PAD’s analysis at closure was unavailable . It therefore attempts to identify the benefits to farm households attributable to the project . Compared to the control groups, and prior to disruption of the project in 2007, the analysis shows that (thanks to factors such as greater access to support (grants, credit and subsidies) a higher education level, and greater access to improved technology and practices) NAADS beneficiaries experienced significant relative gains in per capita real crop revenues and real wealth . The resulting baseline scenario yields a benefit-cost ratio of 2.17. However, results are not included for the important livestock sub -sector due to lack of data . Moreover, after 2007, the project was subjected to considerable disruption and data are not available for calculating the NPV for that period. The ICR “conservatively” assumes that NAADS beneficiaries’ access to support fell by 80% after 2007, and this is built into the baseline scenario . A sensitivity analysis was conducted which assumed that 50% of crop revenue gains were due to higher input intensities (as a proxy to reflect elite capture) . This reduced the benefit-cost ratio to a still positive 1.77.

There is a great deal of uncertainty attached to the calculations of efficiency, especially for the period following the disruptions of 2007, during which 60% of the credit proceeds were disbursed . Also, there were instances of abuse and/or misappropriation of NAADS funds as well as procurement issues (see section 11). On balance, and taking account of the assumptions made to reduce attributable benefits during this period, efficiency is rated **modest**.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	19%	100%

ICR estimate

No

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

There were significant shortcomings in the achievement of objectives, efficiency and relevance of design . Outcome is rated moderately unsatisfactory . Before the disruptions of 2007, NAADS seemed to be on a satisfactory track. However, taking the implementation period as a whole, efficacy and efficiency are both rated modest since, during the period after the 2007 disruptions, during which 60% of the credit proceeds was disbursed, the evidence points to increased elite capture, instances of misuse and waste of resources, misdirected inputs, depressed farmer morale, and the weakening of FGs and farmer fora . Relevance of objectives is substantial, while relevance of design is modest.

a. Outcome Rating : Moderately Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:

The ICR rates risk as Moderate citing a number of arrangements aimed at supporting sustainability . For example, NAADS would be financed under the Agricultural Technology and Agribusiness Advisory Services (ATAAS) project which also addresses weak linkages between NAADS and NARO . However, there are three areas of significant risk : first, the capability and willingness of small holders to pay for advisory services, second, political pressure and elite capture, third, the environmental impact of the project activities especially on soil fertility - all of which pose significant risk to the development outcome .

a. Risk to Development Outcome Rating : Significant

8. Assessment of Bank Performance:

Ensuring Quality at Entry (QAE). The Bank worked for three years with other development partners (DPs) and counterparts examining lessons to come up with an extension model suitable for Uganda . The PAD (p. 12) cited several useful lessons from the Bank's involvement in extension projects, including the importance of providing appropriate training for the extension staff . However, according to the ICR, the project only provided "modest " training to upgrade the knowledge and capacity of public service providers before converting them to private service providers . This resulted in shortages of experienced extension staff . The design relied on a number of quantitative and qualitative performance indicators that would adequately capture the achievement of objectives . For example, the percent of NAADS farmers adopting new technologies, cash income earned by farm families participating in NAADS and men and women farmers own opinion about their own productive and economic progress each year . However, weaknesses on M&E undermined the relevance of such indicators (see section 10).

Quality of Supervision . According to the ICR the Bank provided good continuity in team composition throughout the implementation stage, including strong presence in Uganda and regular interaction with the client and development partners . Due to the funding arrangement of the project, the Bank conducted joint supervision missions with other donors and issued Joint Review Aide Memoires . The effectiveness of these arrangements was undermined by difficult donor coordination and the fact that some partners attached comparatively little importance to M&E . Moreover, according to the ICR (p. 17), the project ratings were not fully candid in all areas . The Bank did not conduct a supplementary audit with respect to the reported misuse of funds nor did it investigate reported interference and mismanagement of community -managed procurement issues (see Section 11).

a. Ensuring Quality -at-Entry:Moderately Satisfactory

b. Quality of Supervision :Moderately Unsatisfactory

c. Overall Bank Performance :Moderately Unsatisfactory

9. Assessment of Borrower Performance:

Government Performance . The Government showed commitment to the program through emphasizing the importance of investing in extension as demonstrated in the PMA, organizing a task force for NAADS preparation and promising to contribute US\$ 100 million to support NAADS over five years (PAD, p. 13). However, the government did not release counterpart funds on time and when funds were released they were less than

expected (ICR, p. 18). In 2007, the President of Uganda suspended the NAADS program without prior consultation with the development partners (ICR, p. 7). Also, the Government expanded the Medium Term Expenditure Framework (MTEF) ceilings to accommodate allocations to the program only in the final years of the project. Such actions hindered project activities and delayed project start up and hindered project activities . In addition, the Government frequently announced design changes without prior consultation with financing partners. This confused participants and beneficiaries and undermined the program .

Implementing Agency Performance . The ICR (p. 18) reported that the NAADS secretariat executed its task effectively with a lean structure and interacted effectively with other counterparts as well as the GoU when changes to the program were proposed . However, the NAADS secretariat did not collect systemic M&E data envisaged by the project design which impacted both management decisions and assessment of final outcomes (ICR, p. 18).

a. Government Performance :Moderately Unsatisfactory

b. Implementing Agency Performance :Moderately Unsatisfactory

c. Overall Borrower Performance :Moderately Unsatisfactory

10. M&E Design, Implementation, & Utilization:

Design. The PAD (annex 1) includes a set of relevant indicators that capture the outputs and outcomes of the project activities, most importantly, indicators that were geared to gauge adoption rates, productivity increments and improvement in the well being of participating farmers . The design relied on the assumption that participatory M&E (PM&E) would ensure that the quality of service provision met the standard required to achieve the program's intended outcomes. According to the PAD (p. 36) "farmers will be the primary source of data needed for agricultural, monitoring and evaluation of activities at all levels - including their own. Their record keeping and monitoring and evaluation mechanisms will be developed and piloted using participatory and collaborative learning approaches ." However, the ICR (p. 29) listed several M&E challenges -highlighted in the government's ICR, including the absence of an overall framework for M&E describing objectives, roles, responsibilities and periodicity of M&E activities .

Implementation . The ICR (p. 9) reported that no documentation was found to show that NAADS conducted participatory M&E. Also, according to the ICR (p. 29) there were insufficient baseline indicators until 2004. A Household survey was conducted in 2004 and another in 2007. However, M&E activities were particularly weak from 2007 till closing. The ICR (p. 29) points out that the M&E team was understaffed leading to a system that defaulted to progress reporting aimed more at triggering payments to districts rather than providing management information . In addition, the NAADS secretariat was not always up to date -especially after restructuring, due to inadequate linkages with local governments which resulted in slow information flows . Monitoring frequency was also irregular and subject to the availability of resources . In some districts participatory M&E was seen as too complicated and perceived as a top down monitoring tool.

Utilization . The lack of appropriate M&E and comprehensive baseline information impacted management decisions and hindered the assessment of final project outcomes .

a. M&E Quality Rating : Modest

11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):

Safeguards . The project was classified as Environmental Category B and triggered two safeguard policies : OP/BP 4.01 (Environmental Assessment) and OP/BP 4.09 (Pest Management). An Environmental Management Plan (EMP) and a Pest Management Plan (PMP) were prepared. According to the ICR NAADS guidelines addressed safeguard concerns adequately . However, the ICR also states that poor reporting in 2008 led to a down grade of safeguard compliance to Moderately Satisfactory .

Fiduciary . According to the ICR through 2006 FGs were willing and able to monitor service providers and officials at the district and sub-county levels and the financial management system seemed to perform well . However, the 2007 refocusing of the program and the following rapid roll out of NAADS escalated accountability challenges . Specifically, the transformation of NAADS into a system focused on providing inputs limited the ability of FGs to oversee financial management and assure transparency (ICR, p. 10). The FY06/07 audit report noted a number of irregularities in five districts where expenditures were subsequently suspended . A task force appointed by MAAIF identified abuse and/or misappropriation of NAADS funds and steps were taken to identify funds for recovery in four districts while investigations were ongoing in a fifth . Also, a number of officials were prosecuted and disciplinary actions were

recommended by GoU against any involved farmers . Procurement activities were generally behind schedule due to changes in priorities . According to the ICR (p. 11) community procurement was weakened in the project final years due to frequent changes in guidelines . This undermined farmer participation still further and provided opportunities for elite capture of sub-county procurement committees . This, in turn led to cases of overpricing and delivery of sub-standard products . In an attempt to mitigate this situation during the final years of the project procurement was piloted to committees composed of farmers at the parish level which according to the ICR (p. 11) seemed to decrease cases of elite capture . The 07, 08 and 09 Post Procurement Reviews all identified weaknesses in planning and adherence to procurement plans, poor record keeping, inadequate procedures for receipt and opening of bids and inadequate attention to contract management (ICR, p. 11). In 2010 the MAAIF Task Force identified several irregularities in procurement in all sampled districts including lack of advertisements, falsification of documents, procurement of incomplete packages and sub -standard technologies, failure to follow technical specifications, and payment before supply or payment without verification . In other cases the supply was dominated by a few firms and/or bid prices were higher than those available through normal shopping . Also, community procurements were interfered with and mismanaged with cases of conflict of interest and noncompetitive supply . The Bank did not undertake an investigation of these procurement issues .

Unintended Negative Impacts . In some cases the increased agricultural supply engendered through the program could not be absorbed on local markets and as a result prices declined (ICR, p. 15). As a remedy the ICR highlighted the need for careful selection of technologies and prior assessment of local markets absorptive capacity .

12. Ratings :	ICR	IEG Review	Reason for Disagreement / Comments
Outcome :	Moderately Satisfactory	Moderately Unsatisfactory	Lack of data to assess outcomes during the last two years of the project when 60% of the credit was disbursed; efficiency and design relevance were both modest.
Risk to Development Outcome :	Moderate	Significant	Concerns about the ability of small holders to pay for advisory service, political pressure and elite capture, and the environmental impact of the project activities especially on soil fertility .
Bank Performance :	Moderately Satisfactory	Moderately Unsatisfactory	Shortcomings in ensuring QAE, oversight of the importance of M&E and failure to conduct a supplementary audit with respect to the reported misuse of funds and procurement issues.
Borrower Performance :	Moderately Satisfactory	Moderately Unsatisfactory	GoU did not release counterpart funds on time and when released funds were less than expected and GoU often announced design changes without prior consultation with financing partners. There were significant governance-related issues with evidence of elite capture, misuse of funds and procurement issues . M&E was extremely weak post 2007.
Quality of ICR :		Satisfactory	

NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate .

13. Lessons:

The ICR provided five lessons, three were specific to the project and the following two general lessons are

emphasized:

- **In pluralistic technology systems, attention to the supply of services is as important as assurance of mechanisms to support demand and accountability** . Significant investment is needed to train, certify, and monitor providers of services . The elements of a technology system both nationally and regionally, particularly educational institutions and research organizations, should be explicitly engaged for this purpose .
- **Advisory services appear to have had a greater impact than subsidized provision of inputs under the program** . The NAADS experience suggests that focusing on provision of advice and technology demonstrations achieved the most impressive gains . The returns when inputs became relatively more important in the program appear to be more mixed . However, according to the ICR such finding is provisional and warrants further investigation especially that the widespread distribution of subsidized fertilizer is viewed by many African governments as necessary for achieving rapid gains in productivity and incomes .

14. Assessment Recommended? ● Yes ○ No

Why? To better assess the outcomes and sustainability of providing advisory services through a demand driven approach, and to revisit the outcome rating in the light of evidence of project performance from 2007 onwards.

15. Comments on Quality of ICR:

On balance the ICR is rated satisfactory, but there were some weaknesses . It provides generally thorough coverage of the project achievements and a candid report on most shortcomings . It provides also a comprehensive account of the beneficiary survey results . However, the ratings proposed are more positive than the text justifies . The quality of the ICR inevitably suffered from the weak M&E and hence offers little qualitative or quantitative evidence on achievement of outcomes for the period after 2007 .

a. Quality of ICR Rating : Satisfactory