



1. Project Data:		Date Posted : 06/20/2003	
PROJ ID: P070533		Appraisal	Actual
Project Name: Agriculture Rehabilitation Project	Project Costs (US\$M)	6.9	7.5
Country: Timor-Leste	Loan/Credit (US\$M)	6.8	6.8
Sector(s): Board: RDV - General agriculture fishing and forestry sector (66%), Roads and highways (15%), General information and communications sector (8%), Central government administration (6%), Other social services (5%)	Cofinancing (US\$M)		
L/C Number:			
	Board Approval (FY)		00
Partners involved :	Closing Date	06/30/2002	09/30/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
Roy Gilbert	John R. Heath	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
(i) To improve food security of selected poor households; and			
(ii) To increase agricultural production in selected areas and promote rural growth .			
b. Components			
There were four (with final costs in parentheses):			
1. <u>Priority productive asset restoration</u> :- vaccination campaigns for cattle, buffaloes, pigs and chickens; provision of 20,000 rural families with five 4-6 week old chicks; provision of 1,000 buffaloes and 1,000 Bali cattle to farmers; simple farm tools to needy people; farmers' information campaigns (US\$2.7m.)			
2. <u>Irrigation and rural infrastructure studies, rehabilitation and maintenance</u> :- feasibility and engineering studies; community works on irrigation and access roads; training and irrigation technical assistance (US\$2.7m.)			
3. <u>Pilot agriculture service centers</u> :- establishment of five centers, including procurement of equipment and vehicles; support to Agriculture Faculty of Timor Leste University; procurement of radios and establishment of community radio stations; local and international training and technical assistance (US\$0.7m.)			
4. <u>Project management unit strengthening</u> :- recruitment of local and expatriate staff; technical assistance in procurement, financial management and enterprise management; training of local staff; equipment, vehicles and operating costs of project management unit (US\$1.4m.)			
c. Comments on Project Cost, Financing and Dates			
Overall, actual project costs exceeded appraisal estimate . Additional demand for components (2) and (4) more than offset shortfalls in component (3). Extra costs were met through significantly greater government counterpart funding than anticipated. At closing, the IDA managed trust fund grant paid for 91% of total project expenditures, against the 99% share foreseen at appraisal. Implementation was completed in just 27 months, only three months behind schedule.			
3. Achievement of Relevant Objectives:			
Objective (i) was achieved with some shortcomings. High chicken mortality rates and ill-thought out delivery mechanisms prevented the increased availability of eggs, poultry and meat, key elements /indicators of improved food security according to the SAR, but not reported in the ICR . But other factors associated with the project tended to increase food security: the government's commitment to poultry vaccination; the mass distribution of farm tools; and the upturn in rice production.			
Objective (ii) was apparently achieved, particularly through the rehabilitation of irrigation schemes covering 8,832 hectares and 109 kms. of rural roads (two illustrative SAR performance indicators), even though ex-post data on yields from the project area were not reported.			

4. Significant Outcomes/Impacts:

- Background data, not available in the ICR, shows an economic rate of return of 30 percent; sensitivity analysis shows a worst-case ERR of 19 percent.
- Demonstration of strong government ownership through a seven-fold increase in counterpart funding.
- Farm tools were distributed to five times as many families as originally targeted.
- Vaccination of large numbers of 267,000 cattle and buffaloes, 233,000 pigs and 1,072,000 chickens and training of 118 vaccinators, significantly lowering the risks of hemorrhagic septicemia in cattle and buffaloes, hog cholera in pigs and Newcastle disease in chickens.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Poor design and implementation of assistance to needy farm families, especially through chickens that died before they could be consumed and through buffalo/cattle that were inappropriate to local farming needs (most were draft animals that the farmers did not use as such--and not targeted to any particular recipient families).

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev.:	Modest	Modest	
Sustainability:	Likely	Unlikely	There is a follow-on project but this is not sufficient evidence of sustainability; systemic changes, such as cost recovery and institutional reform, are also needed. The modest institutional development rating underscores doubts about sustainability, as do various reservations in the ICR text about the sustainability of roads, irrigation works and agricultural service centers.
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf.:	Satisfactory	Satisfactory	
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:

(Between the Bank and borrower reports, the ICR yielded 26 lessons, altogether. Not all can be summarized here)

- Particularly for irrigation works, local communities should be involved in project design, implementation. Women especially, should be more involved in giving a direction to a project such as this, rather than just being recipients of aid. Beneficiary groups themselves should be the target of project technical assistance and training to enhance long-term development impact.
- Basic contract management capacity needs to be built up early on in project executing agencies, especially in the post-conflict emergency of Timor Leste.
- A phased approach to agricultural rehabilitation with constant monitoring of progress is appropriate, ensuring that there is time between phases to review and apply the lessons learned. Component design should be flexible at all times, and implementation periods preferably kept short.
- Introducing or restarting national livestock vaccination programs can be a powerful tool to reduce livestock mortalities from diseases. Livestock vaccination must be a sustained, not a once off activity.
- Procurement and distribution of livestock and poultry, particularly in emergency situations, is a difficult, and slow operation. Unless there are compelling reasons to do so, IDA/Bank projects should not contain such components. (Typically such assistance would be provided through an emergency food relief program.)

8. Assessment Recommended? Yes No

Why? This would be the first PPAR in Timor Leste and could be clustered with other operations. It would also help clarify the actual results achieved by this project.

9. Comments on Quality of ICR:

While satisfactory overall, especially in its coverage of project implementation and costs, the report could have explained more clearly what "food security" in the project objective meant. The lack of clear definition of this could have contributed to the partial success of the project in this area. Similarly, the ICR could have better explained the criteria for identifying targeted "poor households", for a reader to understand the extent to which project benefits were appropriated by the poor. Finally, ICR reporting of the economic costs and benefits of the project is incomplete (see section 5 above). It is not adequate to simply report that data key to the understanding of the ERR estimate is "available in the project files". Key estimates of benefits and all the important assumptions and parameters behind

them should be clearly summarized in the ICR Annex text.
