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Report No: 23515

IMPLEMENTATION COMPLETION REPORT
(IDA-30800)

ON A

CREDIT

IN THE AMOUNT OF US\$8.80 MILLION

TO THE

THE REPUBLIC OF ZIMBABWE

FOR AN

AGRICULTURAL SERVICES AND MANAGEMENT PROJECT (ASMP)
(Credit No. 3080-ZW)

01/23/2002

**Rural Development Operations
Eastern & Southern Africa**

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CURRENCY EQUIVALENTS
(Exchange Rate Effective March 1998)

Currency Unit = Zimbabwe Dollar
Z\$1 = US\$ 0.061
US\$ 1 = Z\$ 16.3

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AGRITEX	Department of Agricultural Technical and Extension Services
AMC	Agricultural Management Committee of the MOLARR
ARC	Agricultural Research Council
ARF	Agricultural Revolving Fund
ASIP	Agricultural Sector Investment Program
ASMP	Agricultural Services and Management Project
CMU	Change Management Unit of MOLARR
CT	Country Team
DFID	Department for International Development
DR&SS	Department of Research and Specialist Services
DVS	Department of Veterinary Services
EU	European Union
FMD	Foot and Mouth Disease
GMB	Grain Marketing Board
GOZ	Government of Zimbabwe
IDA	International Development Association
M&E	Monitoring and Evaluation
MFED	Ministry of Finance and Economic Development
MOLARR	Ministry of Lands, Agriculture and Rural Resettlement
PAD	Project Appraisal Document
PPD	Policy and Planning Division of MOLARR
PS	Permanent Secretary
PSC	Public Service Commission
QAG	Quality Assurance Group of the World Bank

Vice President:	Callisto E. Madavo
Country Manager/Director:	Yaw Ansu
Sector Manager/Director:	Karen Brooks
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ZIMBABWE AGRICULTURAL SERVICES AND MANAGEMENT PROJECT (Credit No. 3080-ZW)

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<i>Project ID: P003331</i>	<i>Project Name: Agricultural Services and Management</i>
<i>Team Leader: Caesar Chidawanyika</i>	<i>TL Unit: AFTR1</i>
<i>ICR Type: Core ICR</i>	<i>ICR Report Date 01/31/2002</i>

1. Project Data

Name:	ASMP	L/C/TF Number	IDA-30800
<i>Country/Department</i>	Zimbabwe	<i>Region:</i>	Africa Region Office
<i>Sector/sub sector:</i>	AG- Agency Reform		

KEY DATES

			Original	Revised/Actual
PCD:	10/20/1996	<i>Effective:</i>	12/25/1998	12/28/1999
<i>Appraisal:</i>	08/29/1997	<i>MTR:</i>	03/21/2000	N/A
<i>Approval:</i>	05/29/1998	<i>Closing:</i>	07/31/2001	07/31/2001

<i>Borrower/Implementing Agency:</i> <i>GOZ/MOLARR</i>	GOV/Ministry of Lands and Agriculture
<i>Other Partners:</i> EU, DFID	

STAFF	Current	At Appraisal
<i>Vice President:</i>	Callisto E. Madavo	Callisto E. Madavo
<i>Country Manager:</i>	Yaw Ansu	Barbara Kafka
<i>Sector Manager:</i>	Karen Brooks	Sushma Ganguly
<i>Team Leader at ICR:</i>	Caesar Chidawanyika	Steven Jaffee
<i>ICR Primary Author:</i>	Caesar Chidawanyika	

2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

<i>Outcome:</i>	U
<i>Sustainability:</i>	HUN
<i>Institutional Development Impact:</i>	M
<i>Bank Performance:</i>	S
<i>Borrower Performance:</i>	U

	QAG (if available)	ICR
<i>Quality of Entry:</i>	S	
<i>Project at Risk at Any Time:</i>	Yes	

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 Original Objective:

The project sought to assist the Government to put in place improved institutional arrangements and operational capacity for policy formulation and for the sustainable and efficient management, financing, and delivery of agricultural services in Zimbabwe. The project in addition sought to clarify the mandate and improve capacity in the Ministry of Lands, Agriculture and Rural Resettlement. The project was conceived during a period of optimism in the agricultural sector following sweeping policy reforms that included marketing and pricing deregulation and privatization of some agricultural parastatals. The Government chose to reduce its role in the direct provision of services and to play a facilitative and regulatory role while encouraging the private sector and other players to provide services. The project was designed to assist this process.

However, Zimbabwe fell into a deep political and economic crisis in early 2000, and these developments negated key assumptions held at the time of project design and approval. The project experienced implementation delays in the early part of its life, and it only became effective on December 28, 1998, seven months after Board approval.

Four major factors impacted on the project. First, the general crisis in Zimbabwe, with the land issue being at its core. Beginning with the February 2000 land invasions, land issues suddenly became the major priority of the Government, with the MOLARR playing a central role following the addition of the highly politicized rural resettlement portfolio to its mandate. This shift in priorities diverted the ministry's focus away from the ASMP's thrust for institutional reform, while also limiting its capacity to implement its other programs.

Second, the removal of the Minister and Permanent Secretary from the Ministry in March 2000 and the prolonged time it took before a new PS was appointed (June 2001), effectively left the ministry without substantive leadership at a critical time of transition, during which time the early momentum of ASMP was lost.

Third, dysfunctional project co-ordination, dismal financial management and procurement irregularities also impacted negatively on implementation of the ASMP.

Fourth, IDA suspended all project disbursements to Zimbabwe on May 16, 2000 and subsequently placed the country on non-accrual status on October 2, 2000 following the Government's failure to make loan repayments. Consequently, the project was aborted after implementation over only half its original lifespan and only US\$1,992,500 million (22.6%) of the IDA credit was disbursed, \$225,000 of which represents undocumented expenditures.

By mid-2000 IDA, the Government and its donor partners realized that the original objectives were no longer relevant in the changed environment. In September 2000, all parties agreed that the project should be restructured to reflect the new realities on the ground and to align its objectives more closely with the emerging priorities. IDA considered the option to close the project as soon as it became clear that the original objectives would not be achieved. In light of uncertainty and the chance that the crisis

would be resolved soon, however, the decision was taken to keep the project open to ensure the Bank would be ready to rapidly put in place a program of support for a post-crisis recovery effort.

The IDA suspension of disbursements in May 2000 provided an opportunity to restructure the project to make it ready to assist post crisis recovery. IDA advised the Government that following clearance of arrears and the lifting of the general suspension, disbursements on the ASMP would resume only after satisfactory restructuring was accomplished. The Government's commitment to project restructuring became questionable, however, when the Ministry failed to prepare the relevant proposals. The project was closed on the scheduled DCA closing date of July 31, 2001.

3.2 Revised Objective:

No restructuring was accomplished, and objectives were not revised.

3.3 Original Components:

In support of the objective, two broad components were envisaged: (a) **Rationalization and Effectiveness of Services and Policy Making – US\$25.95 million (77.4%)**: This component was intended to contribute to improved policies and sectoral /sub-sectoral strategic planning; to selection of alternative agricultural service delivery and financing arrangements; and in the restored effectiveness of essential public agricultural services; (b) **Efficient Resource Management – US\$7.58 million (22.6%)**: This component would result in bringing MOLARR's human resources to their appropriate quantity and quality (to perform core functions), building a well performing financial management system within MOLARR, and effective management of MOLARR's change process. The components were logical and relevant in terms of achieving sector objectives as enunciated in the government's Institutional Reform Objectives and Sectoral Development Strategy in Agriculture which was submitted to IDA at project appraisal.

3.4 Revised Components:

The project was not restructured and components were not revised.

3.5 Quality at Entry:

Quality at entry of this project has been rated as satisfactory. The project sought to support the CAS objectives of improved public sector management, accelerated rural development, and, to a lesser extent, private sector development, and would benefit the rural segment of the Zimbabwean population who depend on smallholder farming for their livelihood.

Project design also took into account lessons learned from earlier projects supported by the Bank in the sector. These included (i) focusing on the most critical services, (ii) developing consensus through stakeholder consultations during preparation and implementation, (iii) supporting a phased program of institutional strengthening, (iv) facilitating an expanded role of the private sector, and (v) coordinating with other donors providing support to the Ministry. A small technical assistance project focusing on institutional strengthening of MOLARR would provide the basis for a subsequent larger sector-wide programmatic operation. This was an appropriate strategy at the time, although the time frame for achieving project objectives was unrealistic even if the

current severe political problems had not emerged. The choice was also ideal as this reduced the risk compared to the failure of a larger ASIP-type project.

There were no serious safeguard issues in the project. The environmental assessment rated the project in Category B. Environmental impact assessments were carried out for those components that carried a higher risk, namely EU-funded components relating to tsetse control and Foot and Mouth Disease fencing. The PAD identified risks and mitigating measures; these were by and large accurate.

The operation did not, however, address land reform issues, one of the most controversial areas in the rural sector, but a parallel operation, the Land Reform Support Project, was prepared in late 1998 to provide support in this area. The overall risk rating has deteriorated as some risk factors have increased. These are mostly related to internal aspects within the Ministry but the overwhelming risk to the project arises from the deteriorating political context in general, and the issue of land reform specifically, which was identified in the PAD.

4. Achievement of Objective and Outputs

4.1 Outcome/achievement of objective:

The achievement of project objectives and outputs was unsatisfactory. The project failed to meet many of the expectations that held during design as a result of a combination of several factors.

The project experienced implementation delays in the early part of its life, and was eventually overwhelmed by the mounting crisis in Zimbabwe, with the Ministry severely affected by violent land invasions beginning in February 2000, and the government's controversial management of the situation. In March 2000, the Minister and Permanent Secretary, key Bank interlocutors on this operation, were removed for reasons unrelated to the project. The Ministry remained without a substantive head for over a year, during which time the early momentum of ASMP was lost. Subsequently, the Ministry's mandate was expanded to include the highly politicized rural resettlement portfolio, which has tended to take top priority at the expense of other programs of the Ministry, including the ASMP.

In addition, Zimbabwe is in a deepening fiscal crisis and was placed in non-accrual status by the Bank in October 2000 following the Government's failure to make loan repayments. IDA effectively stopped financing project activities in July 2000 and formally closed the project on 31st July 2001. DFID announced its intention to terminate support to the project in March 2001. The European Union continued providing limited support to the project, pending agreement on restructuring.

Many of the planned project activities were abandoned either because of the withdrawal of donor support or because they were no longer viable in the changed economic and political environment. The MOLARR has made some efforts to continue to implement some aspects of the project. There was some modest improvement in the delivery of services to smallholders as a result of the project, but this has been marginal and the effects have been undermined by the general economic decline.

4.2 Outputs by components:

1. Agricultural Service Rationalization and Policy Making:

(a) Improved policies and sectoral/sub-sectoral strategic planning

The impact of the various activities supported under this output area is unsatisfactory. First, project assistance was provided for training of staff in the Policy and Planning Department (PPD) to improve their capacity for policy formulation. However, no major study or policy review has been carried out recently. The intended review and updating of the Zimbabwe Agricultural Policy Framework was not done. The current environment is characterized by ad hoc policy decision-making and is not conducive to the kind of strategic policy formulation process envisaged in the project.

Second, service departments and the Agricultural Research Council (ARC) have benefited from the assistance provided for strategic planning and have all prepared their departmental strategic plans. But there is wide variation in the extent to which these are being implemented. The Department of Veterinary Services (DVS) and ARC, for example have proceeded furthest in addressing issues identified in their respective strategic plans in their work programs. The major impact of the participatory strategic planning process has been the acceptance of the need for a demand-driven service delivery system. However, the Department of Research and Specialized Services (DR&SS) research master plan, originally meant to be completed by December 1998, has still not been completed.

Third, the development of an effective M&E system is incomplete. Although a client satisfaction survey and staff attitude survey were done at the inception of the project and could have served as a useful baseline, these have not been followed up systematically.

(b) Alternative service delivery and financing arrangements selected

Although much progress has been made in identifying alternative service delivery mechanisms, there has been little progress in their adoption. Hence the outcome of this output area is unsatisfactory.

The Agricultural Research and Extension Fund, one of the main vehicles for alternative delivery mechanisms for research and extension through an innovative competitive grant system, was only launched in September 2001 due to delays in finalizing operating procedures.

Contracting out of services, starting with a pilot tsetse control contract, has not taken off due to disagreements on the procurement procedures to be used for contractor selection between the EU and the implementing agency.

Six pilot research projects were implemented by the DR&SS with mixed results, but sustainable implementation of results from these pilots has been curtailed due to lack of funds.

Although a study identifying areas for commercialization (and ultimately privatization) of some research services was completed in 1999, the recommendations have not been implemented. The MOLARR completed a study on user fees and established an Agricultural Revolving Fund (ARF) for the retention of these in 1999. The additional funds collected through the ARF have had a positive impact in providing additional operational funds for the departmental units, particularly in DR&SS and DVS, which would otherwise have remained under-funded from budgetary allocations. The emergence of cost recovery and revolving funds as major mechanisms for maintaining service delivery during a time of budgetary constraints is a positive development. However, commercialization of services and the off-budget income obtained has encouraged, and at times justified, the continuation of non-core activities.

(c) Effectiveness of Essential Public Services

The outcome of this output area is rated marginally satisfactory. Despite declines in budgetary allocations to the service departments, some progress has been made as a result of activities promoted under this component of the project. Firstly, the establishment of stakeholder panels by the participating implementing agencies has enhanced the client responsiveness of services. Secondly, while, for various reasons, the incidences of animal diseases have not decreased as envisaged under the project, the capacity of the DVS to monitor and rapidly attend to any outbreaks has greatly improved. DVS, with the active participation of stakeholders, through the Veterinary Council, has prepared an Emergency Preparedness Plan, which greatly enhances the sector's capacity to respond quickly to animal disease outbreaks. The impact was seen in the response to the FMD outbreak in August 2001, which rapidly brought the situation under control. Thirdly, the participatory diagnostic and planning processes adopted by Agritex have also enhanced the responsiveness of the extension system to the needs of the farmers, particularly the smallholder farmers.

However, extension methodology pilots and beneficiary assessments by Agritex have not proceeded as planned due to lack of funds following the IDA suspension of disbursement. The purchase of 400 motorcycles for the field staff has improved mobility and effectiveness of the extension system, although this has been limited by the continuing under-funding of the operational budgets. The planned purchase of 100 vehicles for senior staff as well as that of other essential equipment were delayed due to problems with the procurement process, and was eventually abandoned when IDA suspended disbursements.

2. Efficient Resource Management

(d) Human resources brought to appropriate quality and quantity

Two main areas were supported in this component. The overall impact appears to have been minimal, and the outcome of this output area has been rated as unsatisfactory.

First, a core function analysis (CFA) was carried out in 1999, which identified core and non-core functions but the main recommendations were never fully implemented. The CFA also made recommendations for changes in the organizational structure of

the Ministry to focus on core public service functions while also rationalizing its divisions and departments by reducing overlapping functions of some departments. The partial implementation, by departments and divisions, of the Core Function Analysis recommendations did not have the intended effect of redirecting non-staff recurrent costs to core functions. By early 2000, the gathering political and economic crisis, and the changing role of the Ministry as result of a shift in national priorities was not conducive to undertaking the recommended changes. Consequently, the restructuring of the Ministry effected in late 2000 bore little relation to the recommendations of the CFA as this was driven by priorities largely outside of those identified under the ASMP. Furthermore, the CFA participatory process promoted ownership by staff, but the consultative process in the Ministry (consensus based decision-making) in the absence of a substantive leadership at the Permanent Secretary level resulted in critical decisions being postponed or avoided.

Second, funding provided by the project for both short and long term training has resulted in some improvements in the capacity and quality of MOLARR staff. An immediate benefit has been a marked improvement in retention of professional staff. However, there have been deviations from the original training plan and the value of some of the training provided to staff is questionable. At times training opportunities were justified as incentives to staff, rather than as a tool to address the business needs of the Ministry.

(e) Well performing financial management system

This area has remained problematic throughout the project, and is rated highly unsatisfactory. First, despite the employment of contract staff to rectify weaknesses, establish a sound FMS and to enhance the capacity of the Ministry's finance division, financial reporting systems remained ineffective and failed to meet project financial reporting requirements. Audit reports have only been submitted after long delays, and replenishment applications for the special account have not been submitted on time. For example an amount of US\$255,000 is still outstanding, five months after the project closed. Second, financial allocations between core and non-core activities were never monitored systematically by the Ministry, despite commitments to do so under the project.

(f) ASMP and MOLARR change process effectively managed

This output area has achieved some success and the outcome is rated as marginally satisfactory. A Change Management Unit was established in the Ministry in 1999 to spearhead the institutional reform process. The change management process fostered by ASMP had a positive impact in changing the institutional culture and improving staff perceptions on how to do business. It led to a greater awareness within the Ministry of the process of change. It also resulted in a better understanding of the reality of core and non-core functions, leading to a reassignment of resources within the Ministry. However this process has proceeded slowly and has not sufficiently involved lower echelons of the Ministry and field offices.

4.3 Net Present Value/ Financial rate of return /Economic rate of return:

The project internal rate of return was estimated at 15.4% based on a time horizon of 10 years. Revised IRR estimates have not been calculated. A qualitative assessment suggests that the return to the project was substantially lower than envisaged, as reflected in the unsatisfactory rating. Smallholder yields have remained more or less at same levels as they were at the inception of the project. For example, maize yields have remained at about 1300 – 1500 kgs per hectare. Income from crop sales has also not increased in real terms due to low producer prices in the face of rapidly rising input costs. With respect to livestock, the increased smallholder sales seen recently are not a result of better husbandry but rather have been induced by increasing poverty and are symptomatic of the general asset disposal taking place among the poor rural families as a coping mechanism for food security.

ASMP financing has helped in both initiating MOLARR modernization process and in supporting the provision of agricultural services to farmers despite the low disbursement and shortened project life span, but the full benefits expected from rationalization and improvement of effectiveness of service have not been achieved.

4.4 Financial rate of return:

Not calculated.

4.5 Institutional development impact:

As noted above, the project began changing the institutional culture of the Ministry. It resulted in (i) a greater awareness within the Ministry of the process of change; (ii) an understanding of the reality of core and non core functions leading to a reassignment of resources; and (iii) the emergence of cost recovery and revolving funds as mechanisms for financing service delivery.

Decentralization, which was one of the major aspects of the institutional reform process envisaged in the project, was never seriously addressed. The already weak government commitment to decentralization declined over the duration of the project. While there are elements of de-concentration, such as moving staff and functions to districts and provinces, there was little attention to moving decision-making and control of resources (e.g., budgetary allocation) away from the center. There was little political will to decentralize agricultural research as indicated by the lack of adequate support for an independent Agricultural Research Council tasked to provide a clear overview of the country's research needs.

The project had a well-developed approach to stakeholder participation, at departmental and lower levels, through the establishment of stakeholder panels. But as these panels were not established as legally constituted statutory bodies, views reflecting stakeholder priorities tended to be seen by the Ministry as not binding. Nor were the panels involved in monitoring project implementation progress. Ideally the Ministry's structure should evolve largely in response to stakeholder needs, yet stakeholders were not involved in the process leading to the restructuring of the Ministry. Furthermore, the extent to which smallholder interests were taken into account remained questionable as the views of the more robust commercial farmers tended to dominate decisions of stakeholder panels.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

The major factors contributing to the worsening crisis outside the control of the implementing agency: localized natural disasters such as the cyclones, floods and droughts experienced in 2000 and 2001.

5.2 Factors generally subject to government control:

First, the land invasions and the related political violence in rural areas (which both began in the period leading to the general elections in June 2000).

Second, the failure to implement a sustainable economic stabilization program. The government has failed to put in place a stabilization program to address the macro-economic crisis which has steadily worsened over the past two years. Inflation has risen from an annual average of 31.7% in 1998 to 70% in July 2001 (103.8% by November 2001). The budget deficit, one of the prime causes of the instability, has also increased from 4.2% of GDP in 1998 to 23% of GDP in 2001. The country is also experiencing severe foreign currency shortages, largely due to poor export performance and the government's failure to attract foreign aid and investment and this has resulted in lack of essential imported inputs for agriculture. The maintenance of unrealistically high exchange rates has resulted in Zimbabwean export commodities being overpriced and has led to a decline in export earnings while raw materials for essential farm inputs have to be sourced at the parallel exchange rate three to four times the artificially low official rate. The economic crisis has negatively impacted the agriculture sector. More specifically, the high inflation has hurt smallholder farmers who have witnessed a rapid decline in real incomes. Input prices have increased by more than 200% without a corresponding increase in producer prices.

Third, agricultural policy reversals: the recent government decision to impose market and pricing controls further erodes any gains that may have been made by smallholders during the early 1990s.

Improved performance of the Ministry and improved delivery of agricultural services as sought under the project would, even if successful, have little impact under the prevailing conditions.

5.3 Factors generally subject to implementing agency control:

The several factors which affected the implementation of this project that were subject to MOLARR control can be grouped into three categories – Management, Finance and Advisory support as summarized below:

Management

- although the ASMP concept was conceived and developed within the Ministry, the vision of what it hoped to achieve and the processes required to implement it were confined largely to the senior echelons of the Ministry and rarely penetrated below senior staff level;

- lack of substantive leadership in MOLARR from March 2000 to June 2001 following the suspension of the PS;
- dysfunctional project management arrangements; and
- lack of support and commitment of the central ministries;

Finance

- failure to establish a well performing financial management system;
- procurement irregularities particularly relating to the tender for 100 motor vehicles;
- lack of M&E

Advisory Support

-The selection system used by the Ministry for the recruitment of advisors and consultants resulted in the Ministry not getting the maximum benefit from this technical support;

5.4 Costs and financing:

Total project costs were estimated at \$33.5 million of which \$8.8 million was to come from IDA, \$13.07 million from the EU and \$8.66 million from DIFD while the government contribution would be \$2.99 million. The major portion of IDA funding under this Credit \$6.9 million (78.4.%) was for activities related to the Rationalization of Services. Only \$1,992,500 (22.6%) of the IDA credit was disbursed. \$1,210,631(60.8%) paid for the supply of 400 motorcycles for Agritex; \$171,429 for extension training equipment, \$29,532 for other equipment, mainly laboratory equipment; \$124,550 for technical assistance, mainly fees for advisors and consultants; \$231892 for training, workshops and study tours. The Ministry has still to account for the balance \$225,000 disbursed from the Special Account. The low rate of disbursement was mainly due to the following factors: First, a shortened project life – the project became effective after a delay of 5 months and was only effectively in implementation for 17 months (January 1999 – May 2000, when IDA suspended disbursement); Second, procurement delays, partly caused by irregularities in the handling of some tenders, resulted in some major procurement packages being caught up by the suspension of disbursements before they were finalized e.g. tenders for 100 motor vehicles, computer equipment, laboratory equipment all had to be abandoned; Third, a precarious financial management system.

6. Sustainability

6.1 Rationale for sustainability rating:

Sustainability is highly unlikely. As noted above, the project's accomplishments were limited. Although initially the government made commendable efforts to implement the agreed reform agenda, there have been policy reversals recently, which make it difficult to sustain the modest accomplishments. Such reversals include the re-introduction of price and marketing controls on some agricultural and other commodities, and a general suspicion of the private sector by the government that militates against the greater collaboration with the sector as originally envisaged in the project. Recent trends indicate a return to more centralized controls and unwillingness by the government to decentralize decision-making or to collaborate with the private sector in the provision of these services. In the area of land reform for example, the government led by MOLARR, has brought the implementation of the entire program under strong central direction in

contrast to the participatory and collaborative models advocated at the 1998 land reform donor conference.

6.2 Transition arrangement to regular operations:

Many of the activities initiated under the project have been abandoned over the past year as a result of the withdrawal of donor funding. Ministry staff have taken over the functions of advisors and consultants when these were removed following the withdrawal of donor support.

The Bank intends to reconsider its overall country assistance strategy for Zimbabwe and the CT has initiated the process of preparing a post-crisis assistance strategy to help the country recover from the current economic problems. In this context, it is expected that future Bank support to the agricultural sector in the immediate post-crisis period would primarily be in the area of land and agrarian reform. Land issues are at the core of the current crisis and have been identified as a vital component of any future economic recovery program. Support for activities related to improvements in the provision of agricultural services, including capacity building for service providers and producer organizations, would naturally be an integral part of this program, and much of the original agenda supported by ASMP can be expected to be relevant in the future.

7. Bank and Borrower Performance

Bank

7.1 Lending:

Bank performance in project preparation is rated as satisfactory. This project was prepared as a precursor to a larger sector investment program, the ASIP, and was aimed at strengthening the capacity of MOLARR to enable the ministry to effectively lead the preparation and subsequent implementation of the program. Project design drew lessons from an earlier effort under a proposed Agricultural Services Project prepared during the early 1990s that was never approved as a result largely of lack of buy-in by the government. Project design also considered lessons learned from the Bank's lending activities in the agricultural sector in Zimbabwe which were implemented in the 1980s and 1990s. These included the need to (i) improve the sustainability of public agricultural services through rationalization of activities and decentralized decision making, (ii) strengthen government project management capacity, (iii) improve impact and responsiveness of services to farmer needs by improving research/extension/ farmer linkages, (iv) improve collaboration with the private sector, and (v) focus attention first on capacity building and local commitment/ownership to institutional change before undertaking a larger sector investment program. Project design took account of these lessons by focusing on the most critical services, developing consensus through stakeholder consultations during preparation and implementation, supporting a phased program of institutional strengthening, facilitating an expanded role of the private sector, and coordinating with other donors providing support to the Ministry.

7.2 Supervision:

The Bank's overall supervision performance was rated as marginally satisfactory by QAG in FY 2000. The project has been supervised from the field since May 1999. Formal in-depth supervisions were carried out jointly with the donor partners and the government in 1999. Planned supervisions in 2000 and 2001 could not be carried as the situation in the

country deteriorated. Only limited review meetings were held in May and September 2000 with a final review by the donors in August / September 2001. Throughout this difficult period, the supervision team has been diligent in seeking ways to move the project forward. The team maintained regular and open contact with the government and signaled willingness to assist in resolving implementation issues. There was continuity and adequate mix of skills, including social skills in the Bank's team, which was complemented by expertise from the donor partners.

Collaboration with other donors partners was excellent. Formal supervisions were carried out jointly. The three donor partners agreed to use the same log frame and insisted on the same reporting requirements for financial and implementation progress reports, while taking turns to lead the preparation and organization of formal supervision missions and as spokesperson on behalf of the donor group in other formal meetings with the government.

During the early stages of the project, the supervision effort focused primarily on outputs and compliance with covenants without addressing emerging questions of project relevance, borrower commitment, achievability of development objectives, and sustainability. But, beginning May 2000, the Bank and its partners began to engage the Ministry in more substantive dialogue on the need to restructure the project to meet emerging priorities.

With respect to safeguard and fiduciary aspects of supervision, general performance was rated as satisfactory, but follow up on financial management should have been more aggressive.

7.3 Overall Bank performance:

Overall Bank performance is rated to have been satisfactory. Design and early suspension of the project was appropriate. The decision to keep the project open during the period of suspension was appropriate under the circumstances. The decision to close despite substantial undisbursed balances was also appropriate given the project's unsatisfactory status.

Borrower

7.4 Preparation

The government's performance during project preparation was satisfactory. The preparation process was highly participatory. The Ministry took the lead in the preparation and design of the project, and sought the assistance of consultants financed by the donors, and inputs from other stakeholders. This process encouraged commitment to the project by all stakeholders and ensured that project design took into account the interests of the different stakeholder groups. However, the commitment of the Ministry of Finance and the Public Service Commission to the project was not strongly evident, as they were not sufficiently engaged in the ASMP process.

7.5 Government implementation performance:

The government's implementation performance was unsatisfactory. The MOLARR initiated the project, but was slow in following through on implementation. Even before the February 2000 referendum which triggered political instability in Zimbabwe, delays in start-up and implementation were evident. There was an absence of clear political support for major reform of sectoral ministries at the time of project inception. Over time, the impetus for reform lost cohesiveness and focus.

7.6 Implementing Agency:

The MOLARR's implementation performance was unsatisfactory. Several weaknesses are summarized below:

Management

- Although the ASMP concept was conceived and developed within the Ministry, the vision of what it hoped to achieve and the processes required to implement it were confined largely to the senior echelons of the Ministry (the AMC) and was not widely shared below senior staff level;
- The initial decision to have two component managers, reflecting the structure of the Ministry at that time, was a design weakness. It resulted in no clear line management for decision-making;
- The project-appointed co-coordinator should have brought together donors and senior managers in order to broaden consensus. But, he did not provide this service; nor did he produce implementation progress reports, as required by the donors;

Finance

- Despite the employment of contract staff to rectify weaknesses, financial reporting systems remained ineffective and failed to meet project reporting agreements;
- The tentative implementation by departments and divisions of the Core Function Analysis recommendations did not have the intended effect of redirecting non-staff recurrent costs to core functions; financial allocations between Core and non-Core activities were never monitored systematically by the Ministry, despite this being an indicator in the Log Frame; and

Advisory Support

- Externally recruited advisors (with the notable exception of the Agritex advisor) did not provide the required impetus for change. Those recruited were generally insiders who understood the working of the Ministry but they were selected to provide additional assistance ('gap-filling') rather than act as agents of change.

7.7 Overall Borrower performance:

Borrower performance was unsatisfactory due to the following reasons (a) lack of commitment as indicated by the delays in project start-up as well delays in implementing the institutional reform process; (b) failure to adhere to the project implementation plan as indicated by the lagging procurement plan; (c) failure to submit progress reports and delays in submitting financial reports; (d) failure to follow through on the agreement reached with the donors to prepare proposals to restructure the project.

8. Lessons Learned

- (a) Commitment to, and understanding of, the underlying vision for institutional reform at all levels is needed before implementation begins while the need for, the reasons for, and the process of, cultural change also require constant reinforcement. This commitment and understanding should not be confined to the involved officials from the sector Ministry but also from Ministers and from core central ministries (for example Public Service Commission, Ministry of Finance), on which the success of reform depends. Therefore these must be involved in project design from the outset;
- (b) Project design should include the establishment of a clear management structure with assignment of responsibility and accountability for project implementation, coordination and supervision;
- (c) Donors, including the Bank, tended to under emphasize early weaknesses in the hope of encouraging the Ministry to move ahead with project implementation. By mid-1998, when the project was approved, strong signals of a looming economic downturn and governance crisis were beginning to emerge but IDA and its donor partners decided to proceed with the project in hope that this assistance would help the ministry overcome the problems emanating from the emerging crisis to maintain the reform process in the agricultural sector;
- (d) The logical framework prepared during project design was too complicated and difficult to apply for monitoring purposes; and
- (e) Once the political and economic crisis became evident the decision to keep the project open was correct, even though it carried the risk that the project would remain in unsatisfactory status for an extended time. Although the undesired outcome was the one that transpired, the risk was nonetheless appropriate.

9. Partner Comments

(a) *Borrower/implementing agency*: GOZ did not provide inputs or comments to the ICR but has presented a completion review report on the project (Annex 7A). The Borrower rated the project as satisfactory. Its overall findings are generally positive although admitting that project implementation and impact could have been more effective if donor funds had been provided as originally planned.

(b) *Co financiers*: Comments received from DFID have been incorporated in this report. The EU provided input to the ICR but have not provided formal comments.

(c) *Other partners (NGOs/private sector)*:
Not applicable

10. Additional Information

Please see Annexes 1 through 7.

1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:		
Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate
• (i) General Growth in <i>agricultural</i> GDP	N/A	Decline 12.2% in agricultural GDP in 2001
(i) Growth in agricultural exports	N/A	Decline of 3% in agricultural exports in 2001
(i) Growth in estimated smallholder crop and livestock production and sales	N/A	Decline of 5-10% in smallholder crop and livestock sales during past 2 years
(ii) Improved Policies/Planning Updated GOZ Agricultural Policy Framework sharply enunciates potentials, constraints, and public roles	N/A	No policy improvements – Policy reversals/ reintroduction of price and market controls on major agricultural commodities; ZAPF not updated;
(ii) Departmental strategic plans prioritize functions and resources and have stakeholder acceptance	N/A	Strategic plans prepared, but implementation slow
(ii) Agricultural Master Plan sets out technical priorities and institutional responsibilities	N/A	Not completed
(iii) Alternative Services Delivery/Finance Increased numbers of competitive research and extension grants Private contributions to the Agricultural Research and Extension Fund	N/A	Process for Alternative Service delivery for ARC but awaiting competitive research grants scheme to begin
(iii) Contracting out of tsetse control services in selected areas is implemented and well monitored Increased rates of cost recovery for commercialized services	N/A	Pilot contracting-out of tsetse control delayed Cost recovery increases achieved through ARF
(iv) Agricultural Services Effectiveness Decreased incidence of notifiable livestock diseases	N/A	Improved systems now in place for notifying livestock diseases which ensure more rapid flow of information and resulting action
(iv) Unit cost reduced for measured core functions	N/A	Analysis of unit costs not done
(iv) Improved client assessments of field and diagnostic services	N/A	Data to confirm not available
(iv) Verification/demonstration of technologies through on-farm research	N/A	6 pilots implemented by DR&SS
(v) Improved Management Decentralization of decision-making and financial management within MoLARR	N/A	No progress
(vii) Reporting systems increasingly monitoring/measuring outputs and outcomes	N/A	M&E system not set up
(vii) Staff re-organized and rationalized following functional review	N/A	Some progress on rationalization of MoLARR with new divisional structures. Also realignment of some DR&SS and DVS posts.
(ix) Budgetary allocations to non-core functions decline	N/A	No progress

Project Costs and Financing

Project Cost by Component (in US\$ million equivalent)

Project Cost By Component	Appraisal Estimate	Actual/Latest Estimate	Percentage of Appraisal
	US\$ million	US\$ million ¹	
Rationalization and Effectiveness of Services and Policy-Making	22.28	4.75	
Efficient Resource Management	6.73	2.16	
Total Baseline Cost	29.01	6.91	
Physical and Price Contingencies	4.44	0.00	
Total Project Costs	33.45	6.91	
Total Financing Required	33.45	6.91	

¹ Donor disbursements only, as GOZ expenditures are not available

Project Costs by Procurement Arrangements (Appraisal Estimate) (US\$ million equivalent)

Expenditure Category	ICB	Procurement NCB	Method Other²	N.B.F.	Total Cost
1. Works	0.00	0.68	0.00	3.35	4.03
	(0.00)	(0.55)	(0.00)	(0.00)	(0.55)
2. Goods	1.64	0.58	0.45	0.27	2.94
	(1.64)	(0.58)	(0.45)	(0.00)	(2.67)
3. Services	0.20	0.80	0.78	4.13	5.91
	(0.20)	(0.80)	(0.58)	(0.00)	(1.58)
4. Miscellaneous	0.00	0.00	0.55	3.45	4.00
	(0.00)	(0.00)	(0.55)	(0.00)	(0.55)
5. Miscellaneous	2.56	2.56	4.03	0.00	9.15
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
6. Miscellaneous	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total	4.40	4.62	5.81	11.20	26.03
	(1.84)	(1.93)	(1.58)	(0.00)	5.35

Annex 2b

Project Costs by Procurement Arrangements (Actual/Latest Estimate) (US\$ million equivalent)

Expenditure Category	ICB	Procurement NCB	Method¹ Other²	N.B.F.	Total Cost
1. Works	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
2. Goods	01.38	0.00	0.03	0.00	1.41
	(1.38)	(0.00)	(0.03)	(0.00)	(1.41)
3. Services	0.00	0.00	0.09	0.00	0.09
	(0.00)	(0.00)	(0.12)	(0.00)	(0.12)
4. Training and Workshops	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total	1.38	0.00	0.12	0.00	1.50
	(1.38)	(0.00)	(0.15)	(0.00)	(1.53)

N.B. Breakdown of expenditures by co-financiers and government expenditure data not available

1/ Figures in parenthesis are the amounts to be financed by the Bank Loan. All costs include contingencies.

2/ Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project and (ii) re-lending project funds to local government units.

Annex 2c

Project Financing by Component (in US\$ million equivalent)

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	Bank	Govt.	CoF	Bank	Govt.	CoF	Bank.	Govt.	CoF
Rationalization and Effectiveness of Service and Policy Making									
Policy and Strategic Planning	1.30	0.30	0.13	0.03		0.26	2.3	0.00	200
Alternative Service Delivery	0.30	2.75	0.67	0.03		0.88	10.00	0.00	131.3
Effectiveness of Public Service	5.26	13.82	1.42	1.46		1.18	27.76	8.5	83.1
Efficient Resources Management									
Human Resource Management	1.61	1.19	0.03	0.12		0.43	7.45	0.00	1433.3
Financial Management	0.09	1.54	0.67	0.00		0.21	0.00	0.00	31.3
Institutional Reform Process Management	0.24	1.34	0.07	0.13		1.27	54.17	0.00	1814.3
TOTAL	10.01	20.94	2.99	1.77		4.23	101.68	0.00	141.62

N.B. Data on government expenditures not available

Annex 3

Economic Costs and Benefits

Cost Benefit Analysis 1/

	Present Value of Flows			
	Economic Analysis		Financial Analysis	
	Appraisal	Latest Estimate	Appraisal	Latest Estimates
Benefits				
Costs				
Net Benefits				
IRR/NPV				

1/ Not Available

Bank Inputs*(a) Missions:*

Stage of Project Cycle	No. Of Persons and Specialty		Performance Rating	
	Month/Year	Count	Specialty	Implementation Progress
Identification/Preparation				
July 1996	2	1 Agricultural Economist, 1 Rural Development Specialist		
November 1996	5	2 Agricultural Economist, 1 Rural Development Specialist, 1 Agricultural Service Specialist, 1 Institutional Development Specialist		
Appraisal/Negotiation				
May 1997	5	2 Agricultural Economist, 1 Rural Development Specialist, 1 Agricultural Services Specialist, 1 Financial Management Specialist		
November 1997	6	2 Agricultural Economist, 1 Rural Development Specialist, 1 Agricultural Services Specialist, 1 Financial Management Specialist, 1 Procurement Specialist		
April 1998	4	1 Agricultural Economist, 1 Rural Development Specialist, 1 Agricultural Services Specialist, 1 Financial Analyst		
Supervision				
May 1999	4	2 Rural Development Specialist, 1 Agricultural Services Specialist, 1 Procurement Specialist	S	S
November 1999	4	2 Rural Development Specialist, 1 Agricultural Services Specialist, 1 Procurement Specialist	S	S
May 2000	2	1 Rural Development Specialist, 1 Procurement Specialist	U	U
August 2000	2	2 Agricultural Services Specialist	U	U
December 2000	1	1 Rural Development Specialist	U	U
June 2001	1	1 Rural Development Specialist	U	U
ICR				
August 2001	1	1 Rural Development Specialist	U	U

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ (,000)
Identification/Preparation	140.1	424.4
Appraisal/Negotiation	36.6	180.1
Supervision	55.7	177.1
ICR		
Total	232.3	781.60

Annex 5

Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	Rating
<input type="checkbox"/> <i>Macro Policies</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input type="checkbox"/> M <input checked="" type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Sector Policies</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input type="checkbox"/> M <input checked="" type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Physical</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input type="checkbox"/> M <input checked="" type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Financial</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input type="checkbox"/> M <input checked="" type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Institutional Development</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input checked="" type="checkbox"/> M <input type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Environmental</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input type="checkbox"/> M <input type="checkbox"/> N <input type="checkbox"/> NA
<i>Social</i>	
<input type="checkbox"/> <i>Poverty Reduction</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input type="checkbox"/> M <input checked="" type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Gender</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input checked="" type="checkbox"/> M <input type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	
<input type="checkbox"/> <i>Private sector development</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input type="checkbox"/> M <input checked="" type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Public sector management</i>	<input type="checkbox"/> H <input type="checkbox"/> SU <input checked="" type="checkbox"/> M <input type="checkbox"/> N <input type="checkbox"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	

Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

	<i>Rating</i>
<i>[] Lending</i>	<i>S</i>
<i>[] Supervision</i>	<i>S</i>
<i>[] Overall</i>	<i>S</i>

6.2 Borrower performance

	<i>Rating</i>
<i>[] Preparation</i>	<i>S</i>
<i>[] Government implementation performance</i>	<i>U</i>
<i>[] Implementation agency performance</i>	<i>U</i>
<i>[] Overall</i>	<i>U</i>

ZIMABWE

AGRICULTURAL SERVICES AND MANAGEMENT PROJECT

(CREDIT NO. 3080-ZW)

ANNEX 7 (A)

**ICR PREPARED BY THE MINISTRY OF LANDS, AGRICULTURE AND
RURAL RESETTLEMENT – GOVERNMENT OF ZIMBABWE**

MINISTRY OF LANDS, AGRICULTURE AND RURAL RESETTLEMENT

**REPORT ON THE REVIEW OF THE AGRICULTURAL SERVICES AND
MANAGEMENT PROJECT (ASMP)**

DECEMBER 2001

REPORT ON THE AGRICULTURAL SERVICES AND MANAGEMENT PROJECT (ASMP)

1.0 INTRODUCTION

The Agricultural Services and Management Project (ASMP) was initiated as a three year project funded by the European Union, World Bank, Department for International Development (DFID) and International Development Association (IDA) (1998-2000). The purpose of ASMP was to enhance institutional arrangements and operational capacity for policy formulation, sustainable and efficient management and delivery of land and agricultural services in Zimbabwe. ASMP sought to make cost-effective use of the public resources available to support agricultural development and assist in the definition of the Ministry's core functions in the context of a liberalized economic environment, declining budgetary resources and create an environment for the public-private sector partnerships. IDA withdrew its support in July 2000 and DFID is finalizing outstanding payments, while the EU is to provide support until January 2002.

2.0 PROJECT OBJECTIVES

Most of the project objectives have been met and there is a high chance of the Government's ability to sustain itself. The major objectives of ASMP included:

- The rationalization of functions of Ministry and its services, strengthening its core functions, and commercializing and privatizing activities more effectively carried out by the private sector and civil society,
- The improvement of the effectiveness, efficiency and client orientation of the Ministry in delivery of services and execution of its core functions,
- The enhancement and strengthening of the institutional capacity for policy formulation, implementation and management
- The strengthening of agricultural information and management systems
- The building of consensus and commitment to change.
- Research and Development and capacity building.
- Provision of medium and long term infrastructure, human and financial sustainability.
- Provision of improved technology, products and services to the farming community with emphasis on small scale farming sector.
- Improved food security at household and national levels

3.0 IMPLEMENTATION EXPERIENCES AND RESULTS

3.1 General

Despite the harsh economic and political environment, the project was satisfactorily implemented. The extent of the implementation and level of achievement of the outputs were varied due to various constraints.

3.2 Agricultural Economics and Marketing Division (AEMD)

The major output and objective of ASMP in the Agricultural Economics and Marketing Division (AEMD) was enhanced and improved institutional and operational capacity for policy formulation for sustainable and efficient management and delivery of agricultural services. In order to achieve this output, ASMP had three components. These are outlined in Table 1.

Table 1: ASMP Budget Components

COMPONENT	BUDGET
Enhancement of Sectoral Policy Formulation,	717 301
Enhancement of Institutional Policy Formulation	136 226
Improvement of Management Information Systems	230 751
TOTAL	1 084 278

ASMP made significant impact, particularly in enhancing sectoral and institutional policy formulation, and strengthening the Ministry's information system.

3.2.1 Enhanced Sectoral Policy formulation

The project component supported activities including human resources development, hiring of technical assistance to respond to emerging policy crisis and issues, and preparation of Agricultural Services Investment Programme (ASIP). Training plans were made and implemented. The project provided Masters Degree Training Programmes for four officers in Agricultural Economics, two in Management of Rural Change and Marketing Management. One Officer is currently in UK studying an MSc Programme in Agricultural Trade.

The project provided funding for all staff to attend short courses in relevant areas including project monitoring and evaluation, food security, micro-finance, mechanization, gender, project appraisal, policy analysis, rural development and computer software.

This has enhanced the division's policy formulation capacity through consultative and participatory approaches. Some of the policy papers produced to date include: Policy Strategies for Stimulating Agricultural Production and Food Security for the Year 1999/2000 Framing Season and Beyond, Agricultural Sector Decentralization Framework and Investment Opportunities in the Agricultural Sector. The Division also made a review of the food security situation in Zimbabwe and formulated a Zimbabwe Food Security Policy Strategy.

The Division made a review of the Japanese Grant Aid for Increased Food Production (KRII), programmed and produced a monitoring and evaluation report. Various Smallholder Support Programmes were designed and implemented including the Crops and Livestock Inputs scheme.

3.2.2. Enhanced Institutional Policy formulation

The AEMD played a leading role in the streamlining of Ministry functions. The core function analysis study was completed and Ministry restructured around the core functions. Some functions were commercialized and others privatized. An Agricultural Revolving fund was established to enable Departments to implement cost recovery measures. The AEMD, other Departments and Divisions developed their visions and missions.

3.2.3. Improvement of Ministry Information Systems

The major achievement was enhanced capacity to gather, consolidate and disseminate information on developments in the market under APMMS. The project also supplied computer equipment. The Division is now producing a monthly bulletin containing information on export, imports and commodity prices.

Most AEMD staff received training in computer skills. A database on projects was developed and, under (Agricultural Production Marketing and Management Information System (APMMIS)). Some projects such as the Dry Areas Projects now have databases.

3.2.4. Management Arrangements

Under the Management Improvement Performance Programme (MIPP), AEMD staff identified short and long-term courses, which were relevant and therefore important to improve their performance, and produced a Division training programme.

3.3 Department Of Research and Specialist Services (DR &SS)

DR & SS component of ASMP performed satisfactorily, but it could have achieved the project objectively, if the items like equipment, transport (vehicles), development of communication would have been acquired. The project is being sustained through the release of GOZ contribution, but at a much reduced and slower pace.

The project was implemented in two phases, start up and main project phase respectively.

3.3.1 Start Up Phase: (Investment:US137.780.18)

The start up phase lasted for one year (1998-1999), while negotiations for the main project were underway. DR&SS component of start-up phase ASMP was funded by the Department for International Development (DFID) of United Kingdom. The main activities during the start-up phase included:

DR & SS strategic plan: ASMP contributed towards the formulation of DR&SS strategic plan. Most of the investments from ASMP were for participatory rural appraisal (PRA's), in the field and stakeholder consultations.

Change Process and Management: During this phase of the project several members of the accounts section undertook short term training aimed at preparing the Department's

impending commercialization and decentralization. Departmental Management Committee (DMC) was established representing livestock, crops and services to assist and advise the Departmental Management in the improved operations of the Department. A Change Process Facilitator was also appointed.

On farm-Pilot Research Projects: These projects were in the areas of soil fertility management/improvement, small scale dairy development, soil and water conservation, fruit nursery establishment in small scale farming sector, seed production technology development in small scale farming sector, and enhancement of pest management. All projects were aimed at on-shelf technology verification and demonstrations.

Feasibility study on commercialization: During this phase of ASMP, ARC sponsored a cost recovery study, which formed the basis of the pricing policy on DR&SS services and sale of research generated produce. During the same period DR &SS established 18 different revolving funds under the Ministry wide Agricultural Revolving Fund (ARF).

Short Term Training and Study Tour: one staff member from Administration and one from DR&SS registry went on short term (three weeks) overseas training. Several staff members from Biometrics Bureau and Administration went for computer training acquiring advanced skills in various software programmes. Study tour for selected DMC member to EMBRAPA (Brazil) was planned and undertaken.

Equipment and computer: During the start-up phase three computers were acquired which are being used by Administration, Biometrics Bureau and Chemistry and Soils Research Institute. In the same period, a comprehensive list of equipment required by various Institutes/Stations was prepared.

3.3.2 Agricultural Services And Management Project (ASMP) Main Project: (Investment US\$254,370.58)

The main ASMP Project in DR &SS commenced in 1999 with the following activities:

DR & SS Strategic Plan: Formulation of DR &SS Strategic Plan was a joint activity with FAO and is being completed and finalized. The activity consisted of participatory rural appraisal in five agro-ecological regions.

Core Function Analysis: DR&SS fully participated in Ministry wide Core Function Analysis (CFA). Based on this study DR&SS prepared the implementation plan. Many recommendations contained in the CFA are being implemented in the restructuring, commercialization and decentralization of DR&SS.

Strengthening of Research/ Extension/ Farmer Linkages: This institutional reform has been in the form of community based transfer of technology, through demonstrations and training in partnership with AGRITEX and International Agriculture Research Centers.

3.4 Department of Agricultural Technical and Extension Services (AGRITEX)

The long-term goal of the ASMP in Agritex was to enhance the performance and sustainability of the agricultural sector in general and the small holder sector in particular. The purpose of the project was to strengthen the institutional arrangements for the management of agricultural extension services in Zimbabwe.

3.4.1 Improved Management System Implementation and Operationalization

Change management workshops were held in districts to help Agritex staff appreciate the existing management culture in the organization and develop a culture of openness and transparency. Management and development activities were continued by way of coaching and counseling of senior managers by the project facilitator and other consultants.

An evaluation of the Organizational Development process was conducted in Masvingo Province. The major findings were that the organizational development process leads to the development of an extension service, which empowers farmers.

The existing performance management system was made more relevant and effective by making sure that it was an on-going process and not an annual event to comply with Public Service Commission requirements. Peer assessments were instituted and subordinate feedback to managers was put in place. This enhanced effective decision-making: openness and transparency; commitment to the job and effective organizational communication.

3.4.2 Extension Policy and Strategic Plan Development

Core Function Analysis (CFA) workshops were held and enabled the Department to focus on its own role in service provision and the need to accommodate other Non-Governmental Organizations as complementary, and in some instances, specialist service providers.

Integration of specialist support staff activities more effectively with provincial staff has been and continues to be a major challenge for management at all levels. In this regard, clarification of roles and revised job descriptions remain crucial on-going priorities right across the organization.

3.4.3 Resource Development and Training system Planning and Operationalization

Change management workshops examined the issue of resource allocation. Prioritization and the determination of cost effective options was done in a participatory manner. The major constraint was that identified resource needs were in some instances made available both from the project and Government side. Accessing of project funds for needed equipment was at times delayed by cumbersome and unclear procedures. This resulted in project funding being transmitted before critical equipment was procured, e.g., training and facilitation equipment and motor vehicles.

Capability to facilitate the change process was developed through training of close to 30 officers in metaplan moderation. Strategic priorities for Human Resource Management

and Development (HRMD) were developed and a Guiding Criteria for Staff Training and Development was operationalized.

3.4.4 Financial and Administration

All finance personnel received short-term training under the professionalization of accounts scheme. Staff are now being trained at different levels. If the project was to continue for another year, it would leave the finance staff fully professionalized and proceed to professionalization of administration personnel.

3.4.5 Strengthening of Technical and Extension Services

Participatory Extension Approaches (PEA) training was carried out in Masvingo and Midlands Provinces enabling extension agents and farmers to work as partners in technology development and extension programme plan formulation. About 25 officers were trained as PEA trainers throughout the Department.

The team approach, production of self-learning materials with farmers and the introduction of stakeholder panels are some of the strategies that have strengthened the Department's capacity to provide extension effectively.

3.4.6 Improved Mobility and Work Environment of Extension Staff

Staff mobility was improved by the provision of motor cycles for field staff. The motor vehicle component of the funding did not sail through due to bureaucratic inertia.

The work environment of extension staff was impacted upon by PEA training and stakeholder panels in that clientele expectations in terms of service required became well defined.

3.4.7 Technology Development and Dissemination

A new pilot project at district level involving the Agricultural Research Council (ARC), AGRITEX and GTZ (IRDEP) is exploring alternatives to existing systems of agricultural services delivery for rural communities at different stages of development to come up with modalities for supervision and disbursement of the Agricultural Research and Extension (AREF) under the ASMP.

ASMP has supported production and distribution of fact sheets on various aspects of agriculture.

3.5 Department of Veterinary Services (DVS)

The Department of Veterinary Services was able to change its culture to one of serving stakeholders. The Veterinary Services Council was elected and is operational and now awaiting ratification.

Pilot studies were initiated, study tours undertaken and many people attended a variety of training programmes which broadened the individual skills. The DVS gained a great deal from the ASMP and is slowly progressing with the institutional reforms in order to reach the goals which are set.

3.6 Agricultural Research Council (ARC)

The project raised the strategic planning process to the forefront of all other activities and budgets. The concept of log framing with a clear goal, objectives, outputs, activities and related budgets was made a requirement. The outputs were also to be accompanied by clear verifiable indicators and assumptions. This made the project monitoring and review very easy as all those involved could easily see deviations from the targets. This was a clear improvement in the whole project formulation and implementation process. Linkages were also clearly identified which led to a reduction in duplication. ARC fully gained from the planning process and to apply it on all their projects.

4.0 CRITICAL ISSUES

4.1 AEMD

The AEM Division successfully coordinated the preparation of the ASIP Preparation Framework, but the actual preparation of ASIP could not start following the suspension of funding for the project. The same happened for the review of the ZAPF after recruiting the facilitator and human resources development.

The suspension of donor funding left the project to rely on Government funding. The ASMP failed to achieve some of its important, planned outputs, and there remain a number of areas where ASMP failed to make an impact but could still play a pivotal role if funds are injected.

4.2 DR& SS

The project preparation phase of the DR &SS component went fairly well. Assistance by Dr Jacob Kempen of World Bank is greatly appreciated. However, during the implementation phase, the main constraints were on procurement of goods and services.

4.2.1 Strengthening of Research Services

4.2.1.1 Equipment

Tender documents for procurement of equipment were prepared, but the activity could not be completed due to sudden suspension of ASMP Support.

4.2.1.2 Infrastructure re-furbishment

Rationalization of refurbishment requests from Stations/Institutes was completed, allocation of resources were made. However, tenders could not invited and awarded due to suspension of ASMP support.

4.2.2 Strengthening of Mobility/Communication

Tenders for obtaining vehicles were completed, quotations for this activity were obtained and submitted to the Ministry but purchase could not be effected due to suspension of ASMP support.

4.2.3 Pilot Studies and Research

There were six projects under this activity, namely:

- Soil Fertility Improvement
- Seed Technology- On Farm Trials and Demonstrations
- Fruit Nursery Project
- Smallholder Dairy Improvement
- Soil and Water Conservation
- Enhancement of Pest Management

All the projects performed satisfactorily except Pest Management Project. DR &SS is looking into the problems of its under performance and how to redress the situation. Based on Dr Kampen's trip report impact assessment studies on Soil Fertility Improvement Project were planned, but could not be undertaken due to the absence of resources and a Socio-Economist in the Department.

4.2.4 Establishment of Agriculture Research Management Planning and Information Service

The unit is being established by amalgamation of Biometrics Bureau, Farming Systems Research Unit and Information Services to improve research planning and information management services. However, in view of the amalgamation of DR &SS and AGRITEX resulting in the Department of Research and Extension (DR &E), the unit will be reorganized.

4.3 Agritex

Hygiene factors in terms of improved housing remained a serious demotivating factor among field staff in AGRITEX.

4.4 DVS

The ASMP was a very complex operation for DVS staff and it took time to change mind-sets in order to develop new innovative ways of doing business.

4.5 ARC

The project was too centrally controlled by MoLARR through the project team leaders. This made allocations skewed to the detriment of other implementing units. ARC got a raw deal in the prioritization and budget allocations. The draw down of the funds was

also very cumbersome due to the centralization. All funds were to be disbursed from the donor through Ministry of Finance (NDF – Special Accounts) and Reserve Bank, to MoLARR and then to ARC. The foreign exchange gains all accrued to MoLARR Head Office holding account and did not filter down to the implementing units. The budgets were set when the exchange was US\$ =Z\$10 but the DFID funds were exchanged when the rate was Z\$18.

Things were done with little consultation with or reference to the implementing units. This led to a lot of frustration and uncalled for delays. Information relating to the project implementation is still not available to all participants in the project.

5.0 SUSTAINABILITY

5.1 DR & SS

The Department of Research and Specialist Services component of Agricultural Services Management Project (ASMP) was prepared on the basis of the lessons learnt from World Bank's earlier lending to National Agricultural Extension and Research Project (In 2335 ZW and IFAD in 123), which operated between 1984-1991.

The five major lessons from the above project stressed the need to:

- Improve the sustainability of public agricultural services by rationalizing activities decentralizing decision making authority and ensuring that project activities are adjusted to fit budgetary constraints.
- Strengthen Government project management capacity including procurement arrangements. Continued monitoring of the project activities would go a long way in the improved implementation of project and delivery of services to stakeholders.
- Establish priorities for public sector investment through better planning and stakeholder consultations.
- Improve impact and responsiveness of services for farmer needs by improving research/extension/farmer linkages, and
- Improve coordination with non-public sector establishment/organizations.

Commercialization of DR & SS activities achieved marked success, highlighting:

- Annual work plan and activity based budgets prepared by all Stations/Institutes
- Cost recovery based provision of services and sale of research generated products and produce
- Preparation of annual budgets and cash flow statements for revolving funds
- Operation of Revolving Funds Account respective Stations/Institute

During the year 2000, revenue generated for Revolving Funds was around Z\$35 000 000 and in 2001, it is projected to be around Z\$50 000 000. The revolving funds are achieving their intended objectives namely:

- Contribution towards DR &SS financial sustainability

- Reduced dependence on PSC employed staff (contract staff is being recruited)
- Financial autonomy to Stations/Institutes
- Institute/Station development (purchase of capital items such as Vehicles/tractor, equipment, supplies and infrastructure maintenance)
- Criteria for Institute/Stations performance appraisal

Pilot field project will continue with the GOZ component contributions to ASMP during 2001/2002 cropping season.

Since 1999, DR &SS initiated the royalties on crop varieties. In the first year, DR &SS licensed Quton Company exclusive rights to breed and sale of DR &SS bred cotton varieties. Subsequently, licenses have also been given to private sector companies for production and sale of wheat, groundnut and maize varieties on royalty basis. The activity involves preparation of agreements, discussions and negotiations.

5.2 DVS

The Core Functions Analysis recommendations are still to be fully implemented. Cost recovery is also now beginning to assist the operations of the Department as are the activities and participation of the Department's stakeholders.

5.3 ARC

The project came immediately after ARC had been restructured and was ready to rise to the occasion. The agricultural stakeholders saw this as a resuscitation of the client driven public research and development agenda. Funding for R & D was promised. So much hope was put on ARC to drive R & D. All stakeholders fully co-operated in the development of the ARC R & D Five Year Rolling Strategic Plan (2000 – 2004).

ARC was allocated funds to support the related R & D Commodity and Provincial Committees as well as Secretariat operations. The secretariat and committees worked very hard to gather R & D related challenges and opportunities from the farmers with a major emphasis on the smallholder sector.

The ARC also created a competitive R & D funding mechanism through the Agricultural Research and Extension Fund (AREF). This has received some funding from Government (Z\$8,4 million), DFID (Z\$4.6 million) and EC (Z\$6.5 million). EC is still to release the balance of Z\$6.5 million upon successful implementation of the first phases. ARC is still championing R & D facilitation with the support of donors such as Rockefeller Foundation and W K Kellogg Foundation.

6.0 FUTURE PLANS

6.1 AEMD

6.1.1 Concept and Design

The concept of ASMP remains relevant to the activities of the AEMD, which is the policy hub for the Ministry. This is more so now, when the Ministry is restructuring and rationalizing its functions. The design and implementation arrangements were very effective and participatory, involving staff (beneficiaries) in the identification of courses. The implementation arrangements also enabled the Division to manage its own capacity development process.

6.1.2 Preparation of Agricultural Sector Investment Programme

The sector approach to agricultural development will effectively coordinate the flow of resources in the sector and address the broader strategic and policy issues such as poverty reduction and food security. The preparation of ASIP is a continuous process, and there is need for a framework document to guide this process. The projects under ASIP have to be continuously reviewed to ensure their effectiveness. ASMP could play a very important role in funding the preparation of the ASIP framework and training of staff in project management.

6.1.3 Review of Zimbabwe Agricultural Policy Framework

Since the launch of ZAPF in 1996, a lot of changes have happened. The ZAPF now needs to be reviewed in light of the land reform, gender, HIV/AIDS, the new Ministry structure and rationalization of functions. The ASMP could play a critical role in funding of this review process.

6.1.4 Human Resources Development

As already indicated, the training of AEMD is important in the preparation of ASIP and review of ZAPF. There is need for training in the area of institutional economics and organizational management in view of the restructuring process in order to build capacity of the AEMD in the preparation of development plans.

It is important to take stock of the impact of project and policy interventions form the base for designing and implementation of future projects and polices. In this regard the ASMP can play an important role in raising capacity for information gathering, consolidation and dissemination and funding training in project monitoring and policy analysis using such techniques as simulation models. ASMP could also provide funds for technical assistance.

The resuscitation of funding for ASMP is very critical in order to speed-up and smoothen the institutional reform process through improved institutional and operational capacity. While ASMP made significant impact, there remains unfinished business in the important areas, vis-à-vis, sectoral and institutional policy formulation and improvement of Ministry information systems.

The critical areas requiring funds that stand to benefit from ASMP include the preparation of ASIP and review of ZAPF. These areas are important to provide the framework for agricultural development.

6.2 DR & SS

In view of the amalgamation of DR & SS and AGRITEX into the Department of Research and Extension, the following steps are suggested:

- Revise the project, as a combined entity under a title such as strengthening of Agriculture Research and Development in Zimbabwe or Improved Development and Dissemination of Agricultural Technologies and Services in Zimbabwe.
- Develop project proposals as independent component of DR & SS, DVS and AGRITEX.
- Decentralize procurement at Departmental level.

The DR &SS component of ASMP was well designed with clearly stated objectives. During the period of two years of its existence the following lessons were learnt

- Strategic Plan could be of assistance in the formulation of prioritized research programmes.
- In addition to Trial and Visit (T&V) method of extension pathway could be further explored and exploited.
- With the provision of appropriate training, equipment and mobility research and services to farming communities.
- Establishment of efficient operation of revolving funds could be an effective tool for commercialization of public sector research enterprises.
- Continuous review of structure, organization and operation of DR&SS in all its activities including technology generations, product development and provision of services could make the organization more efficient and cost effective.

6.3 Agritex

While it is noted that there is a new Department of Engineering and the Department of Research and Extension, the resilience of change processes initiated by the ASMP project is likely to transcend Departmental nomenclature.

6.4 DVS

The Department would urge Ministry to continue with the reforms and seek international assistance which will speed up the reform process for the benefit of the livestock sector and agricultural industry in general. The Department of Veterinary Services feels that the process was successful in general although there were many specific areas which were reluctant to change. However, the institutional reform process which began through the ASMP, should continue as and when possible. The process must continue in order to improve delivery of service to stakeholders.

6.5 ARC

From the implementation of ASMP a number of lessons have emerged that can be used for better project formulation and implementation in the future. These include the following:

- Proper planning on its own does not necessarily create success. There is need in future to establish co-ordinating units, which are accountable to all stakeholders. Under ASMP it was not so, implementing institutions and stakeholders were not calling the shots. Success cases of such non-self serving co-ordinating units are the World Bank funded Programme Co-coordinating & Monitoring Unit (PCMU) in Local Government under the Urban Housing Programme, the USAID funded CAMPFIRE Programme and the SIDA/DANIDA/IDA funded Road Development Co-coordinating Unit (RDCU) in Transport and Communications. All these co-coordinating units have had reasonable success because they are accountable to the stakeholders. The implementing institutions also have direct access to the resources through subsidiary loan/grant agreements.
- Implementation plan must be flexible enough to cater for any eventuality. The ASMP project appeared as if cast in stone which made it very difficult to come up with corrective actions. The project was also too dependent on individuals and any slightest change created problems.
- ASMP conceptually encouraged Institutional collaborations and stakeholder consultations, which essentially improves resource utilization efficiency. ARC has already tested the concept through AREF in Midlands and Mashonaland West in collaboration with Seed Houses, Researchers, Extensionists and Farmers. Other institutions like Forestry Commission and Plan International have also joined in Midlands.
- The vision and objectives of such good intended projects need to be clearly articulated and supported at all levels. In particular the highest levels of policy-making offices need to put their unwavering support.
- In programmes of this nature it is vital to have stakeholder monitoring and evaluation periodically during the project life cycle.

7.0 MAJOR RECOMMENDATIONS

The major recommendations from this project are that the implementation of the strategic plans for the Departments be completed and a continuous review of structures and activities be done regularly. There must be easy accessibility of funds for small activities like procurement of stationery, travel advances and other supplies. A focal person for the project and co-ordinating units, which are accountable to all stakeholders should be appointed, so that there is proper communication between the Donors, Ministry and stakeholders.

ANNEX 7(B)

AGRICULTURAL SERVICES AND MANAGEMENT PROJECT PROGRAMME REVIEW AUGUST-SEPTEMBER 2001 JOINT DONOR AIDE MEMOIRE

Introduction

1. A joint donor review team comprising Caesar Chidawanyika (World Bank), Alex Kremer and Stancilas Takawira (European Commission) and John Hansell (Department for International Development) met with Mr. Masoka, the Permanent Secretary of the Ministry of Lands, Agriculture and Rural Resettlement (MoLARR) , on 28th August . Subsequently, over the period 28th August until 17th September, they held discussions with senior staff in MoLARR, the Public Service Commission (PSC) and with the Agricultural Research Council (ARC). The Terms of Reference for the review is at Annex 1 while the list of those met is at Annex 2.

2. The ASMP was conceived as a three year project (August 1998-July 2001), jointly funded by the three donor governments. However, initial difficulties delayed the start of the project and each donor reached agreement and began funding at different times . This report represents the joint findings of the donors and although every attempt was made to accommodate the views of those interviewed, the donors accept sole responsibility for the contents of this report.

Acknowledgements

3. The review team expresses its appreciation for the cooperation and facilitation of the Secretary for MoLARR, his staff, and others whose views were sought.

Project Overview

4. The International Development Association (IDA) effectively stopped financing project activities in July 2000, as the result of the Zimbabwe government's failure to make loan repayments and formally closed the project on 31st July 2001. DFID announced its intention to terminate support to the project in March 2001 and is in the process of finalizing outstanding payments. Currently only the European Union continues to provide support to the project. The original closing date for the EU component is January 2002 but an extension could be considered if justified.

5. The purpose of this review is to assess the current status of the project to date. The review will determine the achievements of the project; identifying where the project has brought about change and been successful in meeting its objectives. These objectives were defined during project appraisal as “ to put in place improved institutional arrangements and operational capacity for policy formulation and for the sustainable and efficient management, financing and delivery of agricultural services in Zimbabwe”. However, as many of the planned project activities were abandoned; either because of the

withdrawal of donor support or because they were no longer viable in the changed economic and political environment, it is recognized that the project failed to meet many of the expectations that held during design. The review therefore seeks to identify the reasons why these failures occurred and to draw from them lessons for the future.

The Review's Findings

6. Emerging from the review are a number of issues which reflect the strengths and weaknesses of the ASMP. They have been grouped below under specific heads for clarity although it is recognized that some are more generic and had a major impact on project performance.

1 Management Issues

General

- Although the ASMP concept was conceived and developed within the Ministry, the vision of what it hoped to achieve and the processes required to implement it were confined largely to the senior echelons of the Ministry and except in rare instances, rarely penetrated below senior staff level;
- The departure of the two senior architects of the project from MOLARR resulted in the project faltering and a marked loss of direction;
- The initial decision to have two component managers, reflecting the structure of the ministry at that time, was a design weakness. It resulted in no clear line management for decision-making. Nobody, except for the Secretary, had the strategic overview of the project but he was too involved in the operational effectiveness of the ministry to concentrate fully on managing the ASMP;
- The project-appointed co-coordinator should have provided the catalyst of bringing together donors and senior managers in order to broaden consensus.

Finance

- The tentative implementation by departments and divisions of the Core Function Analysis recommendations did not have the intended effect of redirecting non-staff recurrent costs to core functions;
- Despite the employment of contract staff to rectify weaknesses, financial reporting systems remained ineffective and failed to meet project reporting agreements;
- Financial allocations between Core and non-Core activities were never monitored systematically by the Ministry, despite this being an indicator in the Log Frame .

Advisory Support

- Externally recruited advisors did not provide the required impetus for change. Those recruited were generally insiders who understood the working of the ministry but they were selected to provide additional assistance ('gap-filling') rather than act as agents of change.

Management - the lessons learned

Any future program of support to a Sector Wide Approach Program (SWAP) should:

1. ensure that there is a wider commitment and understanding of the Program vision at all levels before implementation begins;

2. while recognizing that the Ministry's own structures should manage a full SWAP, during a preparatory phase there is a need to establish a clear management structure with a specific project management or change management unit. This should be tasked with implementation and reporting to the Permanent Secretary;

3. work closely with the Ministry of Finance (MoF) to ensure that financial systems and processes are developed and improved simultaneously;

4. ensure that the selection of project-funded advisors is open and transparent. Reluctance by the Ministry to accept this principle may well indicate lack of a commitment to change;

5. where a program of reform depends on other institutions for its success (for example Public Service Commission, Ministry of Finance), they must be involved in project design from the outset.

2. Policy Issues

General

- The ASMP was conceived in an environment that assumed a stable political climate and an improving fiscal and macro-economic background. Unfortunately, the country has experienced a deep political and economic crisis during the project period which has impacted severely upon the ability of the project to meet its development objectives.
- There was an absence of clear political support for major reform of sectoral ministries at the time of project inception. Over time what impetus for reform there was lost cohesiveness and focus;
- Zimbabwe's Agricultural Policy Framework 1995-2020 was developed in isolation and was unrelated to practical issues including inter alia:
 - the resource implications of the policy,
 - no implementation plan was produced to complement and direct the vision;
 - the required supporting activities to meet the stated objectives were never considered.
- The national policy and fiscal environment was not conducive to change. Without a political steer neither the Ministry of Finance nor the Public Service Commission were in a position to set clear staffing or financing targets within which the project should operate;
- The new Ministry agenda post July 2000, was driven by a high political imperative – land reform. For the first time the PSC and MOLARR began working in partnership but this was outside ASMP objectives.

Decentralization

- The already weak government commitment to decentralization declined over the duration of the project. From the beginning MOLARR remained “luke-warm” to the concept;
- There was little political will to decentralize agricultural research or to provide support for an independent Agricultural Research Council tasked to provide a clear overview of the country's research needs.

Policy Issues – the lessons learned

1. Full and dynamic political impetus is needed for a pre-SWAP process, not only by the involved officials from the sector ministry but also from Ministers and from core ministries.

2. In preparing a SWAP donors should recognize that the availability of significant central government funds for non-staff spending allows the Ministry considerable independence, removing reliance on a donor-imposed agenda

3. Stakeholder Involvement

- Although stakeholder consultation was institutionalized to varying degrees by different departments, no stakeholder panels were established as statutory bodies.
- Stakeholder priorities were seen as useful but not influential or binding. The Ministry failed to give recognition to such bodies that developed or allowed them a role in the planning and delivery of services;
- Commercial farmers were more likely to have a more robust representation on stakeholder bodies, as groups representing smallholders were unable to raise their profile;
- Attempts to reform agricultural research and to have research needs formulated by provincial committees comprising a range of stakeholders were not followed through.

Stakeholders – the lessons learned

1. The design of any future sector program should create stakeholder representative bodies that should be involved both in project design and in monitoring progress.. In recognition of the weakness of smallholder farmer representation focus groups should be created for this farming sector.

5. Donor Performance

The review considers that ;

- The slow rate of procurement and perceived delays in approving requests, resulted in disillusion with the process. In addition, donors became involved in detailed examination of procurement requests seeking to re-orient departmental priorities;
- Despite these problems the project resulted in a degree of harmonization of donor reporting and procurement procedures as well as furthering donor cohesion and understanding;
- The project helped to develop and maintain a process of dialogue and understanding between donors and the implementing departments;
- Although the logical framework was used during design, it proved too cumbersome and complex to be used for the more subtle purpose of project monitoring and assessing real progress;

Donor Performance – the lessons learned

1. Procurement must not be seen as the incentive to secure institutional change. This requires that all procurement is clearly linked to the reform agenda and agreed work programs;

2. Any logical framework prepared during project design must be flexible and contain indicators that are easily monitored. As the project develops it is essential to use and where necessary revisit and modify the framework to ensure that it remains both appropriate and applicable.

3. Development theory at the time of project design recommended SWAPs. Zimbabwe in general and MOLARR in particular was seen as a strong candidate for such an approach. The outcome was that donors were prepared to overlook initial design problems and weak commitment to change.

5. Impact

The project began changing the institutional culture of the Ministry. It resulted in :

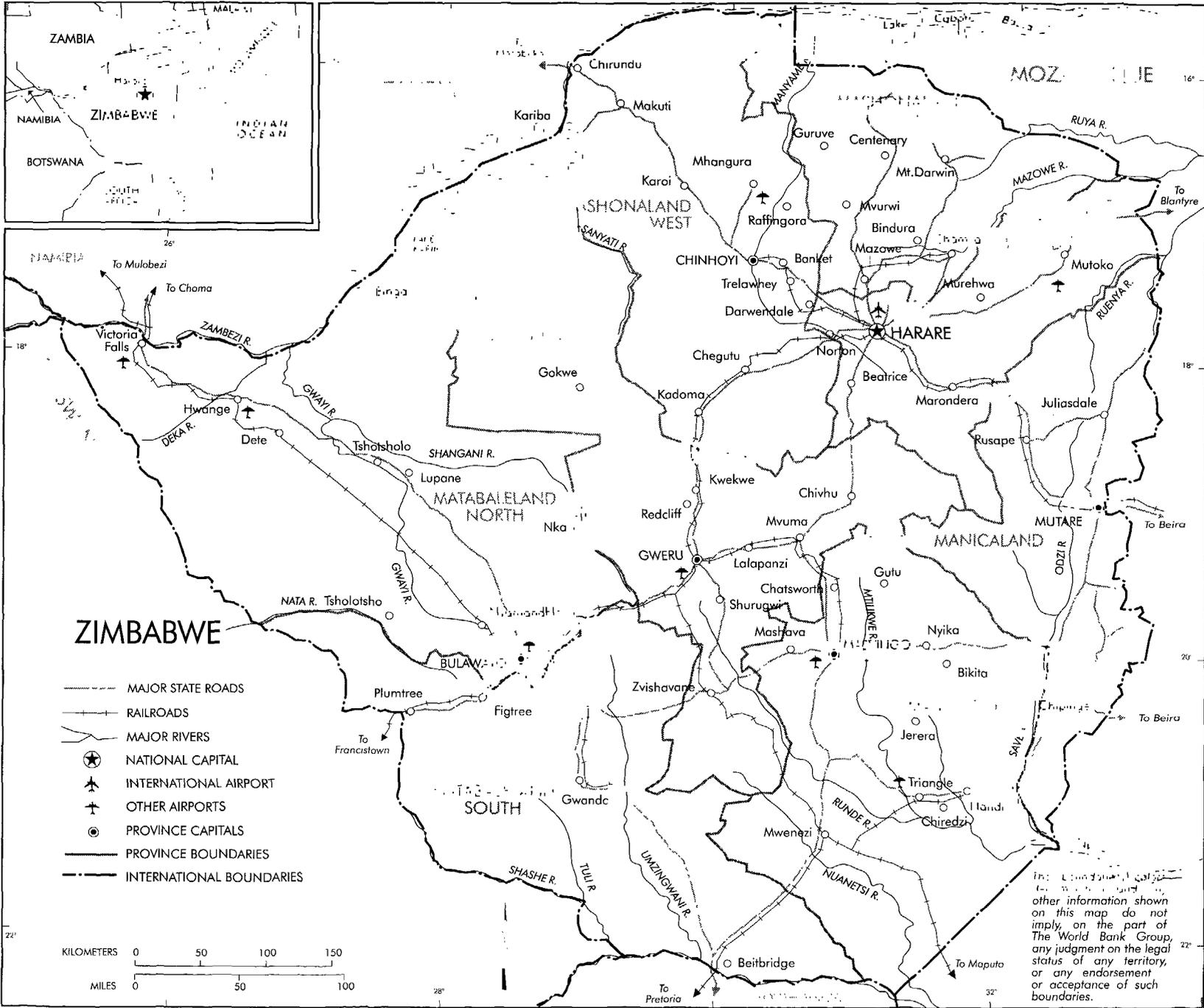
- A greater awareness within the Ministry of the process of change, preparing the ground for future support to the sector;
- An understanding of the reality of core and non core functions leading to a reassignment of resources;
- The emergence of cost recovery and revolving funds as major mechanisms for maintaining service delivery during a time of budgetary constraints. However, commercialization of services and the off-budget income obtained, has encouraged and at times justified the continuation of non core activities.

However:

- If there has been an improvement in the delivery of services to smallholders as a result of the project it has been marginal and the effects overwhelmed by the general economic decline.

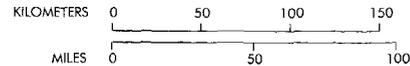
W C Chidawanyika
A R Kremer
S Takawira
J R F Hansell

29/10/2001



ZIMBABWE

- MAJOR STATE ROADS
- RAILROADS
- MAJOR RIVERS
- ★ NATIONAL CAPITAL
- ✈ INTERNATIONAL AIRPORT
- ✈ OTHER AIRPORTS
- PROVINCE CAPITALS
- PROVINCE BOUNDARIES
- INTERNATIONAL BOUNDARIES



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