



1. Project Data :		
OEDID:	L3333	
Project ID:	P001906	
Project Name:	Agricultural Management and Services Project	
Country:	Mauritius	
Sector:	Other Agriculture	
L/C Number:	L3333	
Partners involved :	European Union, ODA (Britain)	
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2. Project Objectives, Financing, Costs and Components :		
<u>Project Costs (\$US million)</u>	<u>Appraisal</u>	<u>Actual</u>
Government	8.1	0.57
IBRD loan	10.0	2.82
Total	18.1	3.39
<p>The <i>objective</i> of the project was to put improve the government's capabilities for sectoral management, policy formulation, and the delivery of supporting services in order to achieve the government's long -term <i>goals</i> of modernizing the agricultural sector, improving the productivity of the smallholder sector, and diversifying the production base. The four major components of the project were (1) strengthening of sectoral management capacity; (2) improvements in research and extension services; (3) development of irrigation potential; and (4) improving other supporting services and studies . All four components were to contribute towards creating an enabling policy and supporting framework for a diversified and competitive agricultural sector .</p>		

3. Achievement of Relevant Objectives :
 Loan effectiveness was postponed 13 months due to delays in the recruitment of key personnel . The project was scaled back significantly due to delays in implementing the proposed institutional reforms and weak Bank supervision of the project in the early stages . In spite of this, most of the major organizational reforms were in place, but not fully operational by the completion of the project . Measurable benefits of the project were to include improved efficiency in agricultural management and services, increased land and labor productivity, increased non-sugar agricultural production, and higher incomes for smallholders . However, neither at appraisal nor at completion were any targets identified or impacts measured .

4. Significant Achievements :
 (1) The Agricultural Policy Analysis Unit was established in 1994 and is now headed by a Mauritian national . Its Policy, Planning, and Evaluation Section is providing analytical support to policy -making. However, this is still weak.
 (2) The Agricultural Research and Extension Unit was established in 1996 as an autonomous body outside the Ministry of Agriculture. It is claimed, but without concrete evidence provided in the ICR, to provide closer linkages between R&E, to develop programs with the farming community in a participatory manner, and to have achieved island-wide extension coverage.
 (3) The Irrigation Authority now has in-house capability to plan, design, and supervise civil works, but still lacks community development skills to mobilize farmers into WUAs to take over responsibility for O&M . Two pilot projects on drip irrigation were completed. Beneficiaries have accepted cost-sharing: 20% of investment and 100% of O&M.

5. Significant Shortcomings :
 (1) Although established in 1994, the Consultative Committee on Agriculture is clearly not functioning as its intended forum for private sector input into sectoral priorities and policies .
 (2) The first modules of the Agricultural Management and Information System only became operational in July 1998 (i.e. after project completion).
 (3) Issues relating to the future mission of the Agricultural Marketing Board are still unresolved . While trade in

onions, potatoes, and maize has been liberalized, the AMB failed to develop any export capacity (as intended as appraisal).

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Marginally Satisfactory	The ICR rated the overall outcome as "marginally to moderately satisfactory"
Institutional Dev .:	Substantial	Modest	See 4 and 5 above. Even the achievements are qualified.
Sustainability:	Likely	Likely	
Bank Performance:	Deficient	Unsatisfactory	
Borrower Perf .:	Deficient	Unsatisfactory	
Quality of ICR:		Satisfactory	

7. Lessons of Broad Applicability :

- (1) Restructuring within one government ministry (in this case Agriculture) is not able to wag the dog of government-wide civil service reform. The lack of clear policies in relation to the latter retarded the reform process, and contributed to the establishment of the AREU outside the Ministry of Agriculture (different from originally intended).
- (2) Significant institutional reforms usually require new legal frameworks. The lack of legal frameworks for the proposed institutional reforms retarded project implementation in the early stages. The Bank should have taken a more pro-active, advisory role at this time in order to get the project moving.
- (3) Farmers are willing to contribute financially to irrigation investments, operation and maintenance in exchange for greater ownership, all of which contribute to greater sustainability.
- (4) To get beyond immediate organizational outcomes to project impacts (e.g. on agricultural diversification and farmers' incomes), it is important to identify specific impact targets at appraisal. No such targets were identified in this case.

8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

The ICR was satisfactory, but with the following shortcomings:

- (1) Table 8A (project costs) and Table 8B (project financing) were incomplete. Both the EU and British ODA provided co-financing of certain project components (irrigation rehabilitation works and technical assistance, respectively). Although not anticipated in the Staff Appraisal Report, these should be reflected in these two tables. The Government of Mauritius also financed from its own resources certain project components that were intended to be financed from the loan, which also does not appear to be reflected in the tables. Nor does the ICR provide a breakdown of costs among component types (physical, technical assistance, etc.).
- (2) The ICR did not satisfactorily answer why the loan was scaled back. Was this positive or negative? On the positive side, it could mean that the Government was successful in substituting cheaper financial resources (from co-financiers and its own revenues) for the Bank loan. On the negative side, it could mean a lack of interest in the project.
- (3) There is a disconnect between some of the ratings. The ICR rated both the Bank's and the borrower's performance as "deficient", while rating the achievement of the three major objectives of the project -- sector policies, ID, and physical objectives -- as "substantial". For what is primarily an ID project, which is therefore human resource intensive, this does not make sense.
- (4) There was no aide-memoire in relation to the completion mission.