



1. Project Data:		Date Posted : 02/09/2004	
PROJ ID: P002891		Appraisal	Actual
Project Name: Nat.agriculture Serv	Project Costs (US\$M)	52.6	10.32
Country: Togo	Loan/Credit (US\$M)	24.7	5.6
Sector(s): Board: RDV - Agricultural extension and research (52%), Central government administration (45%), Micro- and SME finance (3%)	Cofinancing (US\$M)	11.5	1.6
L/C Number: C2990; CP897			
	Board Approval (FY)		98
Partners involved : IFAD, Japan	Closing Date	03/31/2003	03/31/2003
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
The original primary objective of the project was to improve the living conditions of rural households by sustainably increasing agricultural productivity and production .			
At the project launch workshop this objective was expanded to state short -term and medium-term objectives:			
<ul style="list-style-type: none"> • The short-term goal (2 years) was to complete institutional restructuring in agricultural research and extension through staffing, reliable financial management, efficient procurement, and effective involvement of beneficiaries in planning, monitoring and evaluation . • The medium-term goal (by project closing) was to increase living standards of farm households, increase labor efficiency, reduce household food scarcity and improve nutrition . 			
b. Components			
The project had five components:			
<i>Agricultural Extension Services (US\$17.6 million - 33.5 percent of project cost)</i> To support the creation of a decentralized, autonomous, semi-private Technical Assistance and Support Institute (ICAT) responsible for providing improved extension services to farmers and support to farmer organizations . Actions to achieve this would include consolidating existing governmental or parastatal extension services, and appointing and retraining their best staff .			
<i>Agricultural Research (US\$13.0 million - 24.7 percent of project cost)</i> . To strenghten Togo's agricultural research system by merging all existing research institutions into a newly created, decentralized, autonomous, semi-private, Togolese Agricultural Research Institute (ITRA).			
<i>Agricultural Credit (US\$3.2 million - 6.1 percent of project cost)</i> . To provide assistance to implement pilot rural finance activities (grassroot savings and loan operations) through selected existing non-governmental organizations, to test a successful approach for ensuring accessibility for small producers, including women, to these essential services.			
<i>Village Development Fund (US\$0.6 million - 1.1 percent of project cost)</i> . To support demand-driven small rural infrastructure at community-level. (This was to be financed by IFAD.)			
<i>Ministry of Agriculture, Livestock and Fisheries (MAEP) (US\$18.2 million - 34.6 percent of project cost)</i> . To provide assistance for the reorganization of MAEP, to build up its capacity in policy design, planning, programming, monitoring, control and program evaluation.			
c. Comments on Project Cost, Financing and Dates			
Total project cost was estimated to be US\$ 52.6 million. However, project implementation coincided with a period of major political and economic tensions between the Government of Togo (GOT) and the international community. During this period Bank disbursements to Togo were suspended for all but eight and a half months . This greatly hampered project implementation . Of the IDA credit only US\$5.6 million was disbursed, and only US\$ 1.7 of the IFAD loan of US\$10 million. In addition, the Japanese grant of US\$ 1.5 million was never made available to the project.			

3. Achievement of Relevant Objectives:

There is no evidence that the project led to an increase in agricultural productivity and production as envisaged in the original objectives and in the revised medium-term objective.

However, despite the problems caused by the suspensions of disbursements to Togo, much of the short-term goals in institutional restructuring and changes in operational practices were achieved.

4. Significant Outcomes/Impacts:

Major institutional changes were carried out:

Agricultural extension. ICAT was established as an independent legal entity, its statutes were adopted and land and facilities were transferred from GOT to the Institute. Its board was established and a full organization set up. In addition, vehicles and equipment were purchased for ICAT under the project. A Director-General was appointed and the organization was staffed with professionals selected from the MAEP and the cotton corporation (SOTOCO). ICAT carried out extension and related activities for four years, including three campaigns for vaccination of small livestock, and cotton extension for two years, until responsibility for cotton extension was transferred back to SOTOCO in 2001. Expenditure was approx. 33 percent of planned.

Agricultural research. ITRA was established as a separate legal entity, its statutes were adopted and land and facilities were transferred from GOT to the Institute. Its Board was established and a full organization was set up, including the establishment of four agricultural research centers in the different agro-ecological zones. Staff were redeployed and vehicles and equipment supplied under the project. Expenditure was approx. 20 percent of planned.

Institutional support to MAEP. The project provided limited support to MAEP after the transfer of facilities, equipment and responsibilities to ICAT and ITRA, to support a focus on formulation and control of sector policies. Expenditure was approximately 10 percent of planned.

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

Pilot Rural Credit Program. Contracts were signed with only two NGOs. These were completed only after major delays and no disbursements were made.

Village Development Funds. Implementation of this component, which was important for the agricultural productivity objective, never started.

This project was structured in conflict with the Cotton Sector Development Project (1989 - 97) which had included measures to strengthen extension services in SOTOCO. These were initially transferred to ICAT at the outset of this project but then responsibility for cotton extension and research was transferred back to SOTOCO in 2001.

The mid-term review in late 2000 proposed major changes in the approach to agricultural research and extension. Although the project's objectives and components were to remain the same, it was proposed to restructure the project to transform it from a "top-down" operation into a program that was demand driven and implemented from the bottom-up. Services would be provided to agricultural producers by ICAT and ITRA through contracts with beneficiary grassroots organizations for specific support activities. These contracts were to be arranged through new regional organizations (Regional Inter-professional Agricultural Development Funds - FRIDA) that had public/private boards and which were legally established in 2001. In late 2001, GOT sent a request for an Amendment to the Credit Agreement to reflect these new arrangements, but disbursements were suspended in January 2002 and no action was taken, so the proposal became moot as far as the project was concerned. The ICR does not indicate whether any steps were taken in any region to make these arrangements operational in the absence of a change to the Credit Agreement, and whether any activities have been financed and managed in this way.

The project objectives were stated in terms of improvements to the living conditions of rural households, to be achieved through sustainably increasing agricultural productivity and production. A series of monitoring indicators were laid out in the Appraisal Report. However, no information is given in the ICR on these indicators, presumably because data had not been collected. Furthermore, it is not clear that increased agricultural production would, necessarily, have much impact on rural living conditions, e.g. if the relative prices of agricultural products fell, which is always a risk and not always easy to predict.

The ICR for the previous extension project in Togo noted that the principle lesson learned from the project was that "in agricultural extension, the availability of adequate and timely operating funds is critical to the success of technology adaptation and dissemination processes which are linked to time-based activities dependent on climatic considerations; consequently, there has to be a conservative assessment of the Government's ability to meet its financial obligations under the project and the Bank has to be more responsive to increasing its share of operating costs;". This was written in 1995, two years before the present project was approved. Given that the outlook for Bank lending to Togo at that time was cloudy to say the least, this previous experience raises the question of whether the Bank should have proceeded with a project of this type, in which there was a real prospect of the reorganized institutions being left in mid-stream without the financing necessary for staff salaries and material support. The lack

of funds is reported to have created frustration with the Bank and is likely to have negatively impacted its image in Togo and its ability to bring stakeholders there together in the future .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Unsatisfactory	Unsatisfactory	
Institutional Dev .:	Substantial	Modest	While the basic organizational changes were made, no evidence is presented in the ICR to indicate that they had more than a limited impact on the country's ability to effectively use human, financial and natural resources, especially given the uncertainty that would have been created by the abortive attempt to restructure extension/research delivery at the MTR. In fact, it is not at all clear that the changes made resulted in any improvement in the capacity of the research/extension system.
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Satisfactory	Unsatisfactory	Given the uncertain political situation and, consequent fragile relationship between the Bank and Togo it is doubtful that a complex institutional project should have gone ahead unless support could have been guaranteed. In this case, the local entities were left with insufficient funds. It is not clear that "satisfactory" supervision was sufficient to outweigh the deficiencies in lending that led to it being rated "unsatisfactory".
Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

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

7. Lessons of Broad Applicability:

When project approval is significantly delayed for reasons outside the project itself (e.g. because of general suspensions of lending) every effort should be made to review the project design with the Borrower and to confirm that it is still practicable and, if necessary, to agree changes in design to cope with changes in local conditions .

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR provides a reasonable review of project implementation . However, the ICR does not convey a clear view of the capacities of the assisted organizations at the completion of the project . These will certainly have been adversely impacted by the fact that they received only about 25 percent of the funding planned to finance their reorganization and operations. It is not clear that the institutional capacity in the sector is greater or less than at the outset.