



1. Project Data:		Date Posted : 02/09/2004	
PROJ ID: P058468		Appraisal	Actual
Project Name: Agricultural Services Innovation & Reform	Project Costs (US\$M)	14.9	12.55
Country: Bangladesh	Loan/Credit (US\$M)	5.0	4.07
Sector(s): Board: RDV - Agricultural marketing and trade (48%), Agricultural extension and research (40%), Central government administration (6%), Irrigation and drainage (6%)	Cofinancing (US\$M)	7.43	n.a
L/C Number: C3284			
	Board Approval (FY)		00
Partners involved : UKDFID	Closing Date	03/31/2003	03/31/2003
Prepared by :	Reviewed by :	Group Manager :	Group:
John English	Ridley Nelson	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
<p>The objective of this project, a Learning and Innovation Loan (LIL), was to test and refine various agricultural technology transfer programs designed to foster more demand driven and locally responsive extension techniques . Specifically, the project aimed to:</p> <ul style="list-style-type: none"> • provide support through the Horticulture Export Development Foundation (HORTEX) to pioneer horticultural production and export activities; • test and develop methods for improving partnership programs between the Department of Agricultural Extension (DAE) and other extension service providers (ESPs) in developing and conveying appropriate extension messages as part of the New Agricultural Extension Policy (NAEP); and • carry out small pilot and demonstration programs under the FAO sponsored Special Program for Food Security (SPFS) for improving production and food security . 			
b. Components			
<p><i>Provision of support through HORTEX (US\$2.7 million or 19 percent of project costs).</i> HORTEX would identify market opportunities and potential importers, and provide training and assistance in production, grading, packaging, quality control and export logistics .</p> <p><i>Strengthening Implementation of the NAEP (US\$9.9 million or 69 percent of project costs).</i> The component was to support learning and innovation aspects of extension partnership programs among DAE and other ESPs at local, district and national levels. The project activities included the development of guidelines for the award and administration of grant funds, and the award of grants by means of a competitive selection process .</p> <p><i>Small-scale Pilot Trials and Demonstrations (US\$1.8 million or 12 percent of project cost).</i> The components had three sub-components: (i) On-farm water management; (ii) village-level soil fertility management; and (iii) crop yield forecasting and weather advice to farmers .</p>			
c. Comments on Project Cost, Financing and Dates			
<p>The project was closed in March 2003, as planned. Expenditures were almost 85 percent of the planned level, the major shortfall being in the provision of grants for district and national level extension programs .</p>			
3. Achievement of Relevant Objectives:			
<p>The project tested various technology transfer programs designed to foster more demand driven and locally responsive extension techniques, with mixed results . It was difficult for the ICR to provide a more specific assessment of the achievement of the project objectives because the statement of objectives in the appraisal document was very brief and general, and did not provide a clear basis for a follow -up assessment.</p>			
4. Significant Outcomes/Impacts:			
<p><i>Extension through HORTEX.</i> Against the appraisal objective of an annual export total of 535 tons at completion, the</p>			

actual achievement was 1,164 tons. The ICR reports that HORTEX has contributed to a better understanding among exporters of horticultural products of production parameters (such as varietal selection, and time and method of crop production), as well as the importance of post harvest grading, packing and chilling, and of the need for quality and reliability of supply.

Strengthening implementation of NAEP. The project helped improve the ability of the DAE and NGOs and other ESPs to work effectively together in a limited way at the local level through low cost partnerships assisted by small grants. The activities were coordinated through the local agricultural extension coordinating committees and have made a modest impact in promoting local networking and collaboration of ESPs and in facilitating a participatory approach to the assessment of farmers' needs, problem identification, program development, prioritization and implementation.

Small-scale Pilot Trials. (i) The on-farm water management trials effectively demonstrated the use of simple water saving techniques, some of which are now being adopted by farmers .

(ii) Implementation of the program of village level soil testing and fertility management demonstrated that farmers would be willing to pay for soil testing services provided that the net incremental benefit is twice the cost of the intervention. However, the program was delayed by problems in recruiting a technical adviser . Partly due to this delay, there was only time during the project period to develop a preliminary and not a standardized method of soil testing.

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

Strengthening implementation of NAEP. At the district and national levels the grant process did not work satisfactorily. Procedures were time consuming and relatively few grants were actually awarded (less than 33% of the allocated funds were utilized). Problems persisted with poor quality of proposals, despite technical advice . Most of the proposals did not comply with the key principles (innovation, alignment to NAEP), and were essentially requests for traditional extension activities linked to the supply of inputs for crop production /income generating activities.

Pilot Trials There was limited progress on the Crop Forecasting and Weather Advice Trials . The effort developed a methodology for crop yield forecasting and weather advice to farmers but could not test the value of the intervention with end users such as farmers . The reasons for this shortcoming reflected design weaknesses . First, the design called for the cooperation and coordination of a number of line agencies, even though it was known from previous experience that securing cooperation from these agencies had been difficult . Second, the pilot was complicated and relied extensively on international TA for its execution, some of which was of variable quality . Third, the design failed to build in an effective management structure responsible for day to day operation and reporting .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Unsatisfactory	The project has failed to achieve most of its major relevant objectives with only minor development benefits. While failure of pilots in a LIL should not be synonymous with failure of the project, in this case it is not clear that the relevant lessons have been taken from this experience to ensure that successful efforts could be undertaken in future . Therefore, the spin off from undertaking these activities appears to have been limited.
Institutional Dev .:	Modest	Modest	
Sustainability :	Unlikely	Non-evaluable	Much of the project's efforts were directed to testing methods, not to establish an activity , therefore, continuation of the activities tested is not an inevitable outcome of the project.
Bank Performance :	Unsatisfactory	Unsatisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

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

7. Lessons of Broad Applicability:

The ICR reports a number of lessons, but these are all specific to Bangladesh and the activities pursued by the project.

One general lesson that might be drawn is that if a LIL with several components is to have an impact regardless

of the outcome of the individual pilot efforts, then it needs to have a clear internal coherence and to be designed so that the capacity to innovate in the future is increased .

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR provides a generally satisfactory review of project germination, implementation and outcome . It was hampered by the lack of clarity in the PAD on the project's objectives and rationale .