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| 1. Project Data: | | Date Posted : 05/19/2003 | |
| PROJ ID: P000501 | | Appraisal | Actual |
| Project Name: Agricultural And Livestock Services Project | Project Costs (US\$M) | 25.6 | 24.10 |
| Country: Chad | Loan/Credit (US\$M) | 24.5 | 22.9 |
| Sector(s): Board: RDV - Agricultural extension and research (90%), Central government administration (5%), Agricultural marketing and trade (5%) | Cofinancing (US\$M) | na | na |
| L/C Number: C2685; CP682 | | | |
| | Board Approval (FY) | | 95 |
| Partners involved : na | Closing Date | 03/31/2002 | 09/30/2002 |
| Prepared by : | Reviewed by : | Group Manager : | Group: |
| Nalini B. Kumar | John R. Heath | Alain A. Barbu | OEDST |

2. Project Objectives and Components

a. Objectives

The project was to be the first six year phase of a long term Agricultural and Livestock Services Program aimed at increasing agricultural productivity in an environmentally sustainable manner, improving producers' incomes, and rationalizing the use of public resources in support of rural services. Specific project objectives were to: a) reshape extension into an effective service addressing farmers' needs for improved crop and livestock production as well as for natural resources management; b) strengthen linkages between extension and research focusing on participatory and adaptive research; and c) strengthen and build producers' organizations.

Project performance was considered unsatisfactory in 1998-1999 when it was realized that the original project design, intended primarily to improve the effectiveness of agricultural extension, would not allow the project to achieve its development objectives. The importance of strengthening the participation of the local populations in their own development while also focusing on issues like the availability of storage and processing facilities for agricultural products, farm input supply, availability of rural finance, animal health care etc. that have an important bearing on agricultural production was also realized. The project was amended in 1999-2000 and though the basic development objective was not changed, project activities were realigned. There was a major shift in emphasis from extension and adaptive research to producers' organizations and financial support for their investments. Three initiatives not envisaged at appraisal were also added. These initiatives included, a study of reforms recommended for the cotton sector, a study and development of a strategy for restructuring of the agricultural extension system and development of plans to improve agriculture in petroleum producing areas. The specific operational objectives of the restructured project were to: a) strengthen producer organizations by developing their operational capacities and supporting their economic and environmental initiatives in the zones; b) develop new policies and strategies for agricultural extension by helping to facilitate the decentralization process already started, adjusting the agro-pastoral extension to the different ecological zones, and ensuring the sustainability of extension by gradually encouraging the beneficiaries and the private sector to take over selected activities; c) devise a reform program for the cotton sector that would make it dynamic and, d) provide resources and link extension and research to serve the areas that would be affected by the new oil pipeline to be built by using community driven pilot operations.

b. Components

Project Components:

- **Agricultural Extension** (US \$ 15.4 million, 64 percent of total project costs), aimed at consolidating and improving extension services for crops, livestock and natural resource management,

- **Participative and Adaptive Research** (US \$ 2.6 million, 11 percent of total project cost), aimed at identifying and resolving on-farm production constraints through the participation of farmers, extension staff and three interdisciplinary research teams derived from and backed by three Chadian research institutes,
- **Producer Organizations Component** (US \$ 5.3 million, 22 percent of total project costs), aimed at promoting farmer participation in development efforts and self management of group activities, and
- **Project Preparation Facility** (US \$ 0.80 million, 3 percent of total project costs), for formulating the project concept, carrying out the necessary studies and planning before the project was appraised.

The project amendment did not lead to a major revision of the components and the new approach was accommodated within the existing structure. The activities of the producer organizations were expanded and they were encouraged to make small investments in village infrastructure and a new sub-component, Program to Strengthen Support to Producer Organizations (PRAOP), was added. The component was to be implemented by NGOs and was designed to provide partial grant financing for small infrastructure sub-projects that producer organizations wanted to make.

c. Comments on Project Cost, Financing and Dates

The project preparation period was long and began in 1991. The project was preceded by a two year pilot phase which tested the main project hypotheses and developed the operational procedures to implement the project. The project was approved in March 1995 and closed in September 2002, 6 months behind schedule. Total project costs were estimated to be US\$ 25.6 million at appraisal of which the IDA credit was to be US \$ 24.5 million. On completion, almost the entire credit amount was disbursed, though in dollar terms the disbursement amounted to US \$ 22.9 million. The difference was due to the changes in the SDR exchange rate.

3. Achievement of Relevant Objectives:

The project was a complex and ambitious operation for which no economic rate of return was calculated at appraisal or completion. It is reported to have achieved most of its relevant objectives, though it is difficult for the Evaluation Summary (ES) to say how far each of the specific operational objectives of the restructured project were actually achieved because of inadequate M&E (section 5).

4. Significant Outcomes/Impacts:

- Implementation capacity at all levels (national, regional and local) of government, in the NGOs, and among the producer groups was strengthened;
- Women actively participated in the extension and producer organization component;
- Project helped some 6,565 producer organizations to become legal entities and partners in commercial transactions (against a target of 1,200) and helped 1,670 producer organizations establish links with banks and other commercial entities;
- Significant increase in income reported among project beneficiaries.

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

- Inadequate M&E;
- Overall performance of the adaptive research component was unsatisfactory and linkage with extension was weak;
- The pilot component PRAOP could not completely fulfill its objective because of a shortage of available funds as part of the resources envisaged for the pilot were diverted to the new initiatives. Moreover the administrative costs of implementing the component were very high, 30 to 66 percent of the funds available for the sub-component;
- The project design did not give sufficient attention to project coordination issues which made implementation of the livestock sub component especially difficult;

| 6. Ratings: | ICR | OED Review | Reason for Disagreement /Comments |
|-----------------------------|--------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome: | Satisfactory | Moderately Satisfactory | OED rates a project as moderately satisfactory when it is expected to achieve most of its relevant objectives but with significant shortcomings. The shortcomings noted under section 5 are significant. |
| Institutional Dev .: | Modest | Modest | |
| Sustainability: | Unlikely | Unlikely | |

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| Bank Performance : | Satisfactory | Unsatisfactory | For several reasons:(i) Project M&E was not given the attention it deserved and was poor despite the important role it was expected to play in risk management; (ii) despite the long project preparation and two year pilot phase the project had to be amended because the design was not appropriate for meeting project development objectives; The ICR itself acknowledges that the risks to the project should have been noticed earlier than they were (para 7.2) (iii) The amendment made the project very complex. Lessons of experience from other operations in Chad had emphasized the importance of simplicity in design and organizational set up. In addition, commitments for activities not directly related to the project negatively affected implementation of actual project components (iv) irregular and inadequate provision of Government counterpart funds was foreseen as a risk at appraisal and yet sufficient measures were not taken to guard against the risk. Project activities that were intended to have been financed by counterpart funds were adversely affected. (v) frequent change in Bank Task Managers also negatively affected project performance. |
| Borrower Perf .: | Satisfactory | Satisfactory | On balance borrower performance is rated satisfactory but only marginally so since irregularity in provision of counterpart funding negatively affected project implementation and outcome. |
| 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 identifies several important lessons, some of which are particularly relevant for projects that use NGOs as implementing agencies. Two lessons are repeated here. (i) While using NGOs and bilateral agencies for implementation of special sub-components can provide relatively fast and impressive results, it is not always less expensive than government agencies. While deploying NGOs in new and sparsely populated areas understandably requires certain start up investments, measures need to be taken to reduce these costs to a more reasonable level especially after the first six months, when the field network has been established. (ii) Since it is more economical for NGOs to deal with relatively large sub-projects of the same type, there may be a tendency to recommend to producer organizations certain types of more expensive sub-projects rather than more diverse sub-projects. Adequate guidelines and incentives should be developed to ensure adequate diversification of sub-projects both by type and size.

The ES adds the following lessons: (i) Development of an efficient monitoring and evaluation system is crucial to implementation not only for assessing outcomes and impacts but for making efficient mid course corrections, as and when required. (ii) It is not only essential to identify the risks and challenges at the appraisal stage but to also develop effective and realistic strategies to deal with the risks upfront.

8. Assessment Recommended? Yes No

Why? For several reasons (i) to verify the outcome, sustainability and institutional development impact; (ii) to provide an independent perspective on lessons for a follow on phase.

9. Comments on Quality of ICR:

The ICR is satisfactory although it could have provided more information on the reason why the new initiatives not envisaged at appraisal were "piggybacked" onto the project. Information on their outcome is also very scanty.