



1. Project Data:		Date Posted : 05/04/2001									
PROJ ID: P010407		Appraisal	Actual								
Project Name: Adp - Rajasthan	Project Costs (US\$M)	130.3	121.3								
Country: India	Loan/Credit (US\$M)	106.0	95.3								
Sector(s): Board: RDV - General agriculture fishing and forestry sector (50%), Central government administration (37%), Roads and highways (13%)	Cofinancing (US\$M)	NA	NA								
L/C Number: C2433											
	Board Approval (FY)		93								
Partners involved : none	Closing Date	09/30/1999	09/30/2000								
<table border="1"> <tr> <td>Prepared by :</td> <td>Reviewed by :</td> <td>Group Manager :</td> <td>Group:</td> </tr> <tr> <td>Nalini B. Kumar</td> <td>Ridley Nelson</td> <td>Alain A. Barbu</td> <td>OEDST</td> </tr> </table>				Prepared by :	Reviewed by :	Group Manager :	Group:	Nalini B. Kumar	Ridley Nelson	Alain A. Barbu	OEDST
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Nalini B. Kumar	Ridley Nelson	Alain A. Barbu	OEDST								
2. Project Objectives and Components a. Objectives <p>The project objectives were to help the Government of Rajasthan (GOR) implement agricultural policies set out in its Agricultural Strategy Paper, namely (a) to accelerate agricultural growth through improved technical, financial and economic use of resources; (b) to enhance long term sustainability of growth through appropriate management and conservation of natural resources; and (c) to improve equity by better targeting of development programs to the poorer strata of the rural population . Several policy and institutional reforms were to support these objectives .These included: full cost recovery for publicly provided goods and services; reducing or eliminating input subsidies; improving efficiency of water use and sustainability; reviewing constraints to development of agro industries and marketing; increasing emphasis on livestock; institutional reforms of rural cooperatives; strengthening the state government's capacity to evaluate public investments and strengthening environmental oversight of agriculture .</p> <p>Project objectives remained unchanged throughout the implementation period . However, at MTR savings arising from the depreciation of the rupee were used to increase the size of the rural roads component . The size of the participatory irrigation management sub-component was also increased .</p> b. Components <p>The project consisted of seven main components : crop husbandry; horticulture; animal husbandry; water resources, agricultural research and training, rural roads and environmental strengthening .</p> c. Comments on Project Cost, Financing and Dates <p>The credit was approved in November 1992 and became effective in January 1993. It closed in September 2000, one year behind schedule . At appraisal total project cost was estimated to be US \$ 130.3 million of which the IDA share was US \$ 106 million (equivalent), and government/beneficiaries were to provide US \$ 24.3 million . Actual project costs were US \$ 121.3 million. The IDA share was US \$ 95.3 million and government/beneficiary contributions totaled US \$ 26 million. US\$ 7.2 million was canceled.</p>											
3. Achievement of Relevant Objectives: <p>Though the project was a complex operation that combined policy and institutional reforms with an investment program, it was reasonably successful in achieving its objectives . Though there were shortcomings in the animal husbandry and environmental strengthening components, the achievements on the reform agenda on balance support a satisfactory rating . Project economic analysis though was limited to the rural roads component .</p>											
4. Significant Outcomes/Impacts: <p>Though available data shows a significant increase in agricultural growth rate over the project period and share of capital expenditure in GOR agricultural public expenditures increased from 34 % in 1991/92 to 40 % in 1999/2000, it is difficult to assess how much of these increases were due to the project as monitoring and evaluation was given inadequate attention.</p> <ul style="list-style-type: none"> The project has had a substantial impact on sector policies . The studies and pilot activities in water resources 											

have proved particularly useful and have been largely instrumental in the formulation of the State Water Policy and the recent passing of the Irrigation Act .

- Information, media and management information system capacities of Department of Agriculture have been strengthened at all levels .
- Overall fruit and vegetable area in the state is reported to have doubled during the course of the project . The increase in number of departmental and private nurseries has dramatically increased the availability of high quality planting material .
- 2,228 kms of roads have linked about 600 unconnected villages .
- Training of rural women, community lift irrigation schemes in which more than 80 % beneficiaries are small and marginal farmers, and road connections to unconnected villages had a beneficial impact in improving equity .
- Formation of Water Users Associations, successful demonstration of sprinklers, and reclamation of saline/alkaline land have promoted better and more sustainable resource use .

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

- Performance of the Animal Husbandry Component was poor . Intentions to significantly privatize veterinary services did not materialize . The design of the Sheep and Wool component was unrealistic and not according to state specific conditions .
- The newly created Environmental Cell has failed to establish a strong environmental oversight capacity in the state and has not established internal environmental review procedures .
- Assessment of land acquisition issues in the rural roads component was not given adequate attention at the project design stage .
- Achievements under the Agricultural Research and Training component were limited because of the faulty design of the component which allowed for the Strategic Development Plan (a key condition of disbursement) to be developed during project implementation rather than as a part of project preparation .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
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:

Several important lessons are identified by the ICR . Two are repeated here . (i) Any hybrid policy reform cum multisectoral state wide investment project is bound to be a complex operation and in this case 12 departments of GOR were involved. This made Borrower coordination and monitoring and World Bank supervision difficult . Investments would have better been concentrated on fewer critical areas, that responded most directly to objectives, were technically robust and had a high chance of success . (ii) Under typically harsh field conditions of Rajasthan, especially when migratory practices are followed, animal breeding programs should avoid use of exotic stock and focus upgrading on selection within the locally adapted breeds .

The ES expands on the above two lessons identified by the ICR . (a) In a situation where several policy reforms and investments are required in a sector, a two phased operation over a longer period of time could be planned . Attention could then be focused on the more critical policy reforms and investments that have wider impact in a first phase, followed by the others in a second phase . This would allow both the Bank and the Borrower to focus their energy on implementation issues in a few areas at one time . (b) Though animal breeding programs that use exotic stock have had tremendous success in some countries, the importance of adapting to local conditions cannot be under-estimated. Hence the importance of adequate technical studies during the project preparation stage to see what is likely to be successful in given socio-economic and climatic conditions .

8. Assessment Recommended? ☒ Yes ☐ No

Why? (i) To verify the sustainability and institutional development impact of the project; (ii) ADPs are being implemented in several countries . To draw lessons of experience for better design and implementation of similar projects .

9. Comments on Quality of ICR:

The ICR is satisfactory but for one shortcoming . The ICR does not clarify whether there was any involuntary resettlement in the land acquisition for the rural roads component and whether due diligence was followed in applying the Operational Directive on Involuntary Settlement (OD 4.30)

