ICR Review
Operations Evaluation Department

Report Number : ICRR11014

1. Project Data:		**Date Posted :** 08/13/2001		
PROJ ID: P001781			**Appraisal**	**Actual**
Project Name : Agr.ser. Rehab.		**Project Costs (US$M)**	40.6	17.63
Country: Mozambique		**Loan/Credit (US$M)**	35.0	17.0
Sector(s): Board: RDV - Agricultural extension and research (41%), Micro- and SME finance (26%), Central government administration (11%), Sub-national government administration (11%), Water supply (11%)		**Cofinancing (US$M)**		
L/C Number: C2337				
		Board Approval (FY)		92
Partners involved :		**Closing Date**	12/01/2000	06/01/2000
Prepared by :	**Reviewed by :**	**Group Manager :**	**Group:**	
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2. Project Objectives and Components

a. Objectives

The objective of the project was to increase production and returns from smallholder foodcrop and cotton cultivation in the provinces of Nampula and Cabo Delgado, through the rehabilitation and development of effective agricultural services and the strengthening of institutional capacity .

b. Components

This was to be achieved through the implementation of five components :

- upgrading of agricultural services, such as extension and applied research;
- provision of working capital and investment credit for agricultural production and marketing;
- development of rural water supplies;
- strengthening of land use and management services; and
- institutional development, including the training of Ministry of Agriculture and Rural Development (MADER) personnel.

The project (ASSRDP) was restructured in 1997, as part of a rationalization of support to rural development . The credit component was canceled and the water supply element transfered to the Rural Rehabilitation Project (RRP). At the same time, extension and research activities supporting cashew production in two provinces in the center-south of the country were transfered from the Agricultural Rehabilitation and Development Project (ARDP), together with land management activities from the RRP . Thus, the project was left with three components, agricultural services, land use and management services, and institutional development .

c. Comments on Project Cost, Financing and Dates

The appraisal estimate of project cost was $ 40.5 million. Following the 1997 restructuring this was revised down to $26.6 million. Final expenditure was $ 17.6 million.

3. Achievement of Relevant Objectives:

The ICR reports that the "objective of strengthening the institutional capacity of MADER has been achieved in that a system for management of extension services has been put in place . Improvements in the delivery of research and extension services were realized in the project districts ." However, it also notes that other aspects of capacity building were not achieved. The capacity to analyze and react to farmers' constraints and opportunities remains limited, in part because little progress has been made toward decentralization . No progress was achieved in implementing the credit component and it was canceled .

4. Significant Outcomes/Impacts:

National agricultural production has increased dramatically over the project period, including in the provinces assisted by the project. However, the ICR was unable to determine the extent to which this resulted from the project's efforts. In areas influenced by the project farmers have widely adopted some of the varieties recommended by the research-extension system, but a beneficiary assessment carried in 1997 reported that farmers complained that "no new extension messages were forthcoming".

At the outset of the project significant areas had been abandoned because of civil unrest and much of the subsequent increase has been because of increased area under cultivation, not extension based improvements.

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

The project suffered from poor financial management, delays in disbursement of project funds, late procurement and delivery of goods, delayed and incomplete civil works, misappropriation of funds and a lack of an effective M&E system.

At the time of project preparation Mozambique was still engaged in a civil war between the government and RENAMO. Significant areas of the country were off-limits for project activity and economic conditions were highly unstable. But the Bank, following studies of the cashew, cotton, irrigation and forestry subsectors, proceeded to support preparation of projects in the first two subsectors. In this case a team of seven sector specialists was supported for this purpose. Almost inevitably, a detailed and relatively complex operation was proposed, including TORs for 21 specialist consultants and for 7 studies and surveys (including rapid assessments and evaluations) most of which appear not to have been carried out. In retrospect, a much more robust and flexible operation would have been preferable. Thus, the overall country/sector strategy was flawed and the specific weaknesses of the project design largely followed from it.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Unsatisfactory	Moderately Unsatisfactory	The project did achieve some objectives, establishing a system for management of extension services and related research. The ICR notes that there have been major production increases but says that there is no data to assess the project contribution. That is, it does not show that the project did not have a positive economic impact.
Institutional Dev.:	Modest	Modest	
Sustainability:	Likely	Unlikely	The ICR bases its rating of sustainability as 'likely' on continuing multi-donor support under PROAGRI. The OED rating of 'unlikely' is based on the conclusions of the ICR that the overall instititional impact of the project was modest, and that the cost-effectiveness of the extension system introduced is questionable under present conditions, and also on the limited resilience of Mozambique to exogenous influences. There is also confusion in the ICR over the rating. The body of the text reports the rating as likely, although some sentences suggest otherwise. However, the cover sheet reports a rating of unlikely.
Bank Performance:	Unsatisfactory	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:

Sectoral reviews that are expected to lead to the identification and preparation of projects should focus on political and other operational factors, as well as technical and economic issues. Otherwise, there is a risk that the proposed strategy and operations may not be implementable.

Technology development and dissemination can only be effective where an enabling environment exists.

8. Assessment Recommended? ○ Yes ● No

9. Comments on Quality of ICR:

The overall quality of the ICR is satisfactory. In particular, it discusses the implementation of the research and extension components at some length and assesses their effectiveness in qualitative terms. However, it suffers from two principal shortcomings:

- although the objective of the project was to increase production, the ICR provides no figures on agricultural production or any other quantitative indicators (e.g. cotton exports, price trends for major staples in the regions, etc.) to provide any impact of the likely impact of the project. Reliable data is notoriously difficult to obtain under conditions such as those of Mozambique, but the ICR might have made some attempt. Even a discussion of what little data might have been available would have been useful, and might have enabled the ICR to estimate at least a probable range for the rate of return for the project, even if the confidence in a single point estimate might have been low.
- almost 43 percent ($7.8 million) of the final project expenditure is reported to have been for technical assistance, compared to the appraisal estimate of $ 12.3 million (30 percent). However, the ICR makes no reference to the work of the consultants. In the discussion of outcomes etc., is a judgement that their performance was deficient. Significant tasks were presumably not performed well, but there is no discussion of whether this was because appropriate consultants were not hired, recruitment was subject to interminable delays, consultants were unable to travel to the field because of security considerations, logistical or other problems, poor relations with project management and counterparts etc..